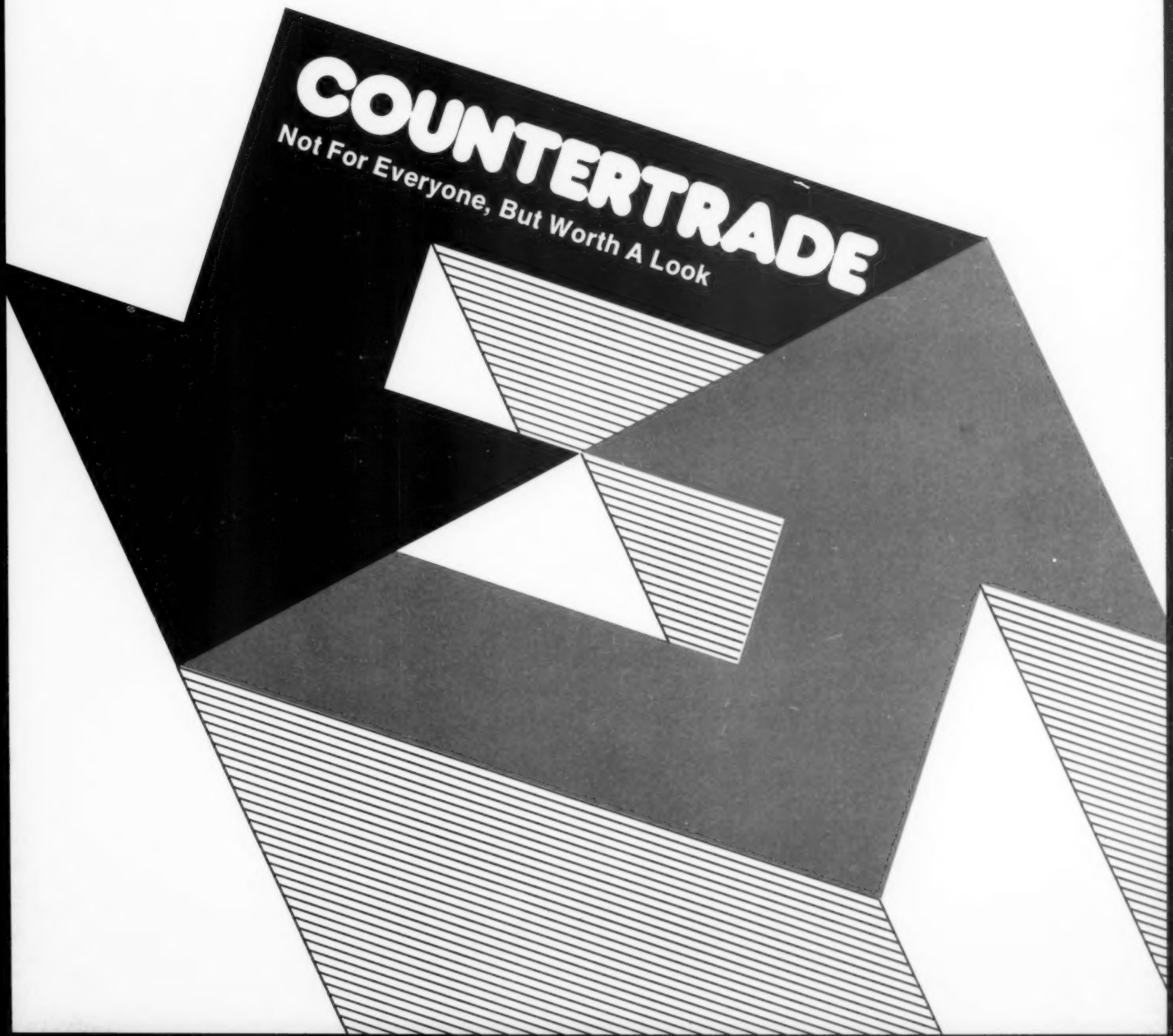
COMMERCE AMERICA

U.S. Department of Commerce / June 19, 1978

COUNTERTRADE

Not For Everyone, But Worth A Look



The Trade Debate—
Some Questions For Both Sides

A new State Department booklet, "The Trade Debate," examines the relationship of a liberal U.S. trade policy to the health of the domestic economy. (It is available at $1.20 from Superintendent of Documents, U.S. Govt. Printing Office, Washington, D.C. 20402, stock number 044-000-01682-6.) One chapter offers the following questions as guides for public discussion of this subject:

► Some people say that increased imports have caused problems for our domestic industries and that we should limit imports by an extensive quota system. Is this an effective solution? If not, what steps can an industry itself take to improve its ability to compete with foreign imports?

► How can America, with nearly the highest wages in the world, sell goods in competition with similar products made in countries with cheap labor? If you think this places us in a difficult or impossible position, can you explain why we are the largest exporting nation in the world?

► Two great "common markets": the United States with 220 million persons shipping domestic goods without tariff restrictions across the borders of 50 states, and the European Common Market of 265 million persons in nine countries without internal trade restrictions. Why isn't each of these groups satisfied to confine its trade within its boundaries? Have they anything to gain by trading with each other?

► Are there valid reasons why we should buy television sets, cameras, motorcycles, and automobiles from Japan when we manufacture these items in the United States? If you were an American farmer and knew that the United States sells about $4 billion worth of farm products to Japan each year, would you give the same answer?

► Why should we encourage developing countries to increase production and exports of manufactured products? Doesn't this create competition for the output of our own factories? Weigh your answer against the desirability of 1) encouraging these countries to take self-help steps toward economic development which will allow them to import more goods from the rest of the world, including the United States, or 2) continuing indefinitely to aid them economically.

► Do we gain or lose by negotiating with other countries for mutual lowering of tariffs and other trade barriers? If each side makes concessions equal in value, does either side really gain? Do both?

► Would it be wise to limit our imports to items we cannot make, grow, or mine in this country—such as coffee, cocoa beans, natural rubber, and tin? Should we allow imports of other items when our own production is not enough to satisfy our needs? Should we open the doors even wider and permit products to come in to compete with domestic goods? Why or why not?

► Inasmuch as foreign trade—both exports and imports—represents only 14 percent of our gross national product (the total value of the product of all goods and services in this country), why is there so much concern in the United States about the question of trade liberalization or protectionism?

► As a manufacturer of airplanes, would you consider it a good policy to import airplane engines from England? Wing assemblies from Canada? Why or why not?

► If you were a farmer, would you support U.S. negotiations to open foreign markets for farm products, knowing the negotiations would open these same markets to farmers in other parts of the world? If you had a large investment in modern farm machinery, would you want to compete with foreign counterparts using simpler—although antiquated—methods?

► Many people argue that the American economy is being hurt by policies liberalizing world trade—that is, by lowering tariffs and other barriers to the free flow of goods. Do you think it is possible for the United States to promote world trade and at the same time maintain a sound economy at home?

► United States trade policy is closely associated with our foreign policy. Do you think the economic welfare of the American people should be given priority over the economic well-being of the rest of the world? Or are the two associated so closely that they cannot be separated? In this context, do you agree that both the United States and its trading partners gain when world trade is developed on a basis of mutual cooperation?

COMMERCE AMERICA

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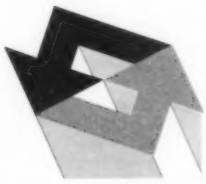

COVER: The reciprocal nature of countertrade practices is dramatized in the cover design. Some of the advantages and pitfalls of the various practices are described in an article beginning on page 2.

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COUNTERTRADE

Not For Everyone, But Worth A Look

Countertrade. It is a practice in international commerce that has both advantages and disadvantages and is worth a careful look today.

As usually seen from the U.S. point of view, it links exports with imports, in that the exporter is required to purchase certain goods in return for making the sale abroad. Often these goods are produced with the equipment or technology that is exported. The practice is becoming increasingly common in Western trade with the communist countries.

Countertrade normally is undertaken whenever one or both trading partners are faced with insufficient foreign exchange reserves, and lack the ability or facilities to market products in other countries. After World War I, such trade helped the German economy overcome the depression of the 1930's. After World War II, a web of international bilateral agreements providing for exchanges of goods contributed to the recovery of many war-ravaged or impoverished national economies.

The recent energy crisis, and the sluggish conditions throughout the world to which it contributed, have led to new emphasis on countertrade transactions, especially by the communist countries but also by the less developed countries. The economic slowdown has severely limited their hard-currency earnings that are needed to pay for imports of industrial goods and of the technology necessary for economic growth.

As a result, many countries, including the communist countries, have felt compelled to encourage the adoption of countertrade arrangements as a tool for generating some or all of the hard currency for domestic industrial projects, for fostering exports to the West and minimizing the outlay of their scarce resources of hard currency.

A number of U.S. corporations engage in countertrade with the communist countries. Although most would prefer normal commercial transactions, they have adapted to the countertrade requirements of the East rather than lose the market.

William B. McIlvaine, manager of corporate development for International Harvester, told *Commerce America* that countertrade transactions with Poland and Hungary have made it possible for his company "to sell goods it would not otherwise be able to sell."

In 1973, the company sold Poland the basic design and technology for a crawler tractor. At the same time, it agreed to buy back tractor components to be manufactured in the Polish plant. International Harvester opened a new sub-assembly plant in Great Britain to which the Polish components are now shipped. Without countertrade, McIlvaine said, his company would have been unable to establish the new assembly plant, which serves the European market.

In 1976, International Harvester signed a buy-back agreement with Hungary. It sold Hungary the design for an axle. To offset this sale, International Har-

"Countertrade is a subject of lively current interest, hence this article about it and our forthcoming booklet," commented Edward H. Stroh, who is Acting Director of the Industry and Trade Administration's Bureau of East-West Trade. "Reciprocal transactions in international business are not new nor unusual phenomena—and not limited to the communist countries. American firms should view countertrade without undue apprehension as another factor in the international trade equation."

vester agreed to purchase complete axles for highway trucks.

There has been sufficient time to work out "some of the bugs" in the arrangements, McIlvaine said, and he expressed general satisfaction with the agreements.

The Levi Strauss Co. signed a buy-back agreement with Hungary recently. The terms call for production in Hungary of Levi jeans under quality control by Levi Strauss. Some of the garments are to be sold in Hungary. Levi Strauss is to buy a percentage of the garments for export to Europe.

Melvin L. Bacharach, executive vice president of Levi Strauss, commented: "I would be less than honest if I said we favor this type of transaction over a normal commercial transaction in a democratic, capitalist or market economy where we sell our products on quality, service, delivery, price, styling or design."

Although Bacharach termed the buy-back arrangement "cumbersome," he said his company had worked out "not a bad program" for itself.

An executive with a diversified U.S.-based multinational manufacturer which does business with all of the countries in Eastern Europe said his company "would adapt" to the prevailing countertrade practices provided that the ultimate business gain is "significant."

"Obviously, we would prefer to deal in a hard currency," he said. "However, if a prospective customer wants to do business and cannot give us hard currency, if he proposes some alternative, we would explore the alternative with him. This might result in taking some commodity in exchange. If that were the case, we would look for some market for the commodity, probably through a switch house. If it finds a buyer, we would proceed to make the sale."

Al Goetz, director of corporate communications with PepsiCo Incorporated, said his company has experienced "no significant problems" with its business arrangement with the Soviet Union which he described as "close to barter." PepsiCo sells Pepsi-Cola concentrate to the Soviet Union which then bottles Pepsi-Cola. In repayment, PepsiCo receives exclusive rights to the import of Soviet vodka which PepsiCo assigns to independent wholesalers and distributors.

Goetz said PepsiCo is "very satisfied" with the arrangement, which has been in force since 1974.

Probably the largest countertrade transaction to date is the 1974 $20 billion agreement of Occidental Petroleum and the Soviet Union. It calls for Occidental to supply the Soviet Union with a million-ton-per-year supply of fertilizer (superphosphoric acid) over a period of 20 years beginning this year. In payment Occidental Petroleum is to receive 2.1 million tons of ammonia, 1.5 million tons of urea and 1 million tons of potash annually for 10 years.

As these examples indicate, countertrade transactions can take a variety of forms. The oldest technique for swapping goods or services is barter. Classically defined, a barter transaction is the direct exchange between two parties of goods of equal value without any flow of money taking place.

Barter is not widely used today because it is usually a one-time transaction that takes place in a relatively short period of time; hence it is not an ongoing dynamic relationship. Another disadvantage of barter is that either of the parties involved may find themselves saddled with goods they cannot easily use and often must dispose of them at discounts.

Countertrade deals such as that of PepsiCo Incorporated are usually known as counterpurchase transactions. The goods used in repayment may consist of manufactured or semi-manufactured goods, raw materials or machinery not directly derived from the Western export of technology or equipment.

Compensation agreements, known as buy-backs, such as those of International Harvester and Levi Strauss, differ from counterpurchase transactions in that they involve repayment in products produced by the Western equipment that made up the original imports. Buy-backs normally involve two separate contracts, one for the sale of Western goods and a second for the purchase of the Eastern goods. Buy-backs account for the largest volume of goods countertraded to the West.

Many buy-back arrangements have been negotiated in the chemical industrial sector—a priority growth field in the communist countries. For example, Litwin S.A. of France has contracted to build a $120 million styrene/polystyrene plant in the Soviet Union. The company is to be paid back in polystyrene (used in the manufacture of foam cushions and fabrics) to be produced in the plant.

By 1980, the West could be receiving between 3 and 4 million tons of ammonia per year from the Soviet Union in buy-backs. The chemical industry of the West is concerned that the world market will be unable to absorb such a large volume of ammonia. Similar concern has been voiced in the West about imports of polyesters and other chemicals resulting from buy-back agreements with the communist countries.

Another approach to linking imports and exports is the clearing agreement, by which two countries agree to trade specific goods at defined prices. The agreement calls for a deadline by which any deficit incurred by either side must be settled, and it generally sets a limit on such deficits. Because the products offered through clearing agreements are not readily sold on the open market, a country may dispose of unwanted products offered to it under such agreements by "switching" its import obligation for these goods to a third party (switch trading).

Clearing agreements were widely used during the 1950's by the communist countries and Western Europe. Today they are fewer in number and are encountered most often in trade between the less developed countries and the communist nations.

These various countertrade practices have grown in importance in East-West trade, as evidenced by

The worldwide economic slowdown has led to new emphasis on countertrade transactions.

FAMILIAR IN E. EUROPE—International Harvester, one of the U.S. firms mentioned in this article for its countertrade arrangements in Poland and Hungary, was an exhibitor at the Plovdiv Fair in Bulgaria last fall.

the increasing number of countertrade transactions, statements of approval by high-level communist officials, and growing media attention.

Widespread use of countertrade with the communist countries came into its own in the 1970's, fostered by economic as well as political conditions. The economic slowdown in the West enabled the communist countries to purchase in a buyer's market. The warming East-West climate spurred Western governments to open low-interest lines of export credit to the communist countries in which they accepted countertrade obligations. To a large extent, the West ignored at that time the possible future impact of countertrade imports.

Several factors may inhibit future growth of countertrade practices.

Today, communist nations seem to accept countertrade arrangements as a means of coping with both their short-term problem of balancing trade and their longer-term problem of penetrating Western markets as stable sources of supply. Buy-back agreements are seen by the communist countries as a means of updating imported Western technologies through the long-term cooperation with the West that they entail.

Poland expects that in the 1980's countertrade will account for 40 to 50 percent of its exports of electrical products and machinery to the West, while a Soviet estimate indicates that 38 percent of U.S.-Soviet trade turnover in the 1976-80 period will be generated through countertrade.

"Several factors may slow down the growth of countertrade practices. For one thing, it is likely that countertrade exports will strengthen protectionist demands by Western producers of similar products, especially if sluggish economic conditions persist in Western Europe," observed Pompiliu Verzariu, an international trade specialist with the Industry and Trade Administration's Bureau of East-West Trade.

"It is also probable that certain products offered as countertrade by various communist countries (fertilizers, synthetic rubber, etc.) will eventually compete with one another in the same Western markets. Furthermore, inadequacies in quality, delivery schedules and after-sale service may limit the acceptance of these products in the West.

"Another factor limiting countertrade is that the communist countries have growing domestic needs of their own, along with commitments to the less developed countries and to their fellow communist countries. Those obligations in the years ahead could absorb a significant part of their domestic industrial output that might otherwise be destined for export as countertrade," Verzariu continued.

"A basic limitation of countertrade arrangements lies in the very nature of countertrade, which emphasizes the temporary needs of expanding economies over the orderly, long-term development of selective export positions in individual foreign markets. By stressing indiscriminate exports from their broadly-based industrialization effort, the communist economies neglect to focus on the manufacture of specific product mixes which are in demand in individual Western countries and could assure them stable positions in these markets.

"In countertrade, the communist countries avoid marketing risks by obligating their Western partners to purchase supplies of their products over a period of years regardless of demand. In the long-run, the practice may be self-defeating to the extent that communist exporters forego the development of marketing skills and abdicate control over the pricing and destination of their products.

"The communist countries may see for themselves that such aspects of countertrade are detrimental, and they may review and modify their countertrade policies."

East-West trade experts in Commerce's Industry and Trade Administration are in the process of publishing a monograph entitled "East-West Countertrade Practices: an Introductory Guide for Business." It is based on inputs from both Eastern European official sources and American and West European firms.

For further information about this publication or for direct information on countertrade practices, contact the Trade Development Assistance Division, Bureau of East-West Trade, U.S. Department of Commerce, Washington, D.C. 20230, telephone 202-377-5544.

Trade Center Relocation

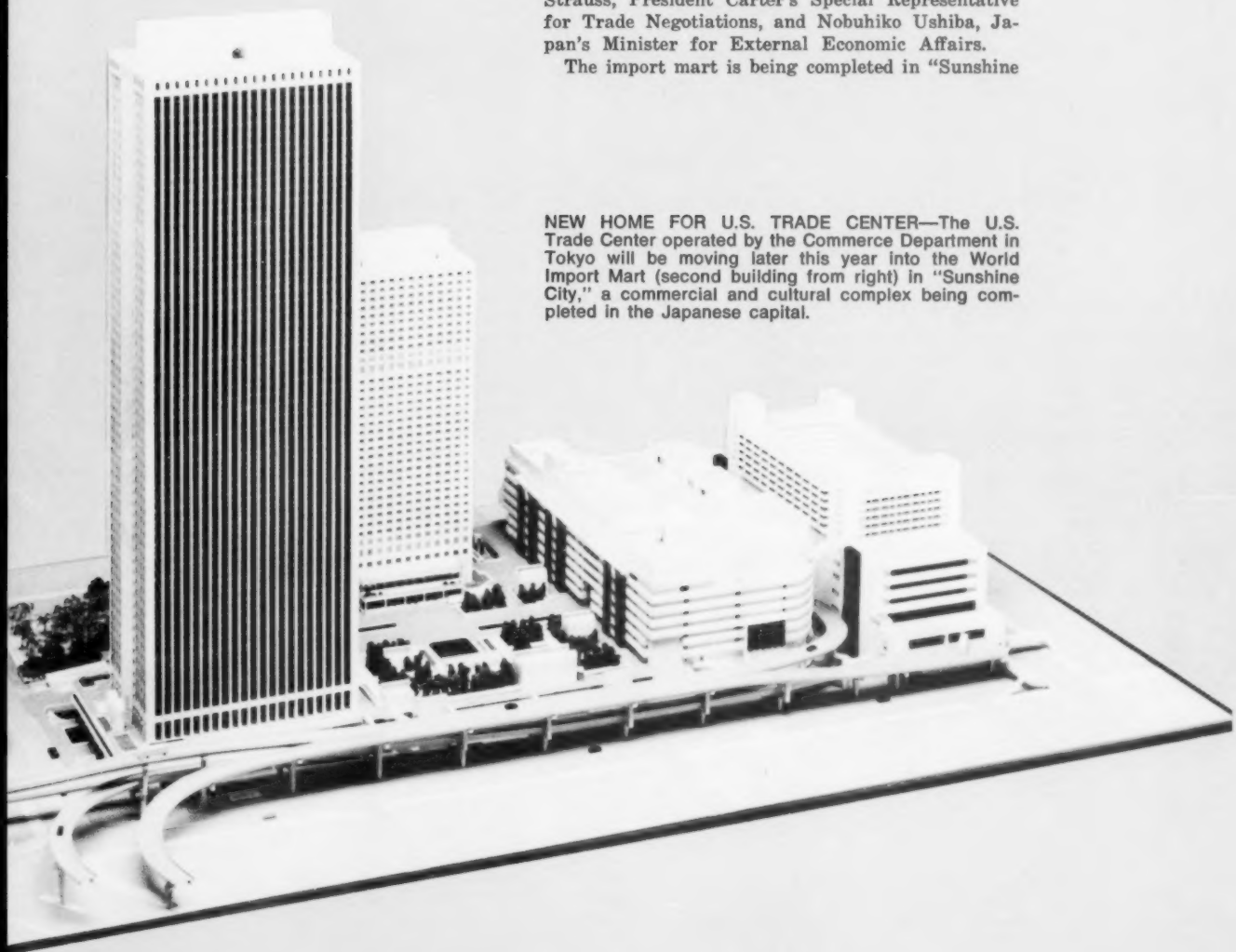
Japan Assists U.S. Marketers

A planned relocation of the U.S. Trade Center in Japan to Tokyo's new World Import Mart represents "a most generous offer that we are delighted to accept in the spirit in which it was made," Frank A. Weil, Assistant Secretary of Commerce for Industry and Trade, has commented on behalf of the U.S. international business community.

"The offer of space and all necessary facilities at a greatly reduced rent is another noteworthy example of Japan's determination to follow through on its commitments to improve U.S. access to the Japanese market," Weil said.

About 40 policies or measures aimed at reducing Japan's trade surplus with the United States and opening its markets to American products emerged from recent U.S.-Japan economic consultations. Most of these were defined in a joint declaration issued in Tokyo in January by Ambassador Robert S. Strauss, President Carter's Special Representative for Trade Negotiations, and Nobuhiko Ushiba, Japan's Minister for External Economic Affairs.

The import mart is being completed in "Sunshine



NEW HOME FOR U.S. TRADE CENTER—The U.S. Trade Center operated by the Commerce Department in Tokyo will be moving later this year into the World Import Mart (second building from right) in "Sunshine City," a commercial and cultural complex being completed in the Japanese capital.

MARKETING CAMPAIGN CONTINUES—The many-sided effort to increase U.S. exports to Japan is under way. One of the first initiatives in this drive was the visit in March of a Japanese purchasing mission of about 100 members. Several members of that mission are shown at the World Trade Center in Dallas.

City," a commercial and cultural complex in Ikebukuro, one of the major subcenters of the Tokyo metropolitan area. The complex also includes a high-rise office building, 36-story hotel and 12-story cultural center.

The mart is a project of the World Import Mart Co., Ltd., backed by three leading Japanese companies—Mitsukoshi, Ltd.; Mitsubishi Corp. and Mitsui & Co.—and actively supported by the Japanese Ministry of International Trade and Industry (MITI).

The Trade Center is to be located on the seventh floor of the 10-story mart after the planned opening in October. The Mart has offered the Commerce Department 8,500 square feet at greatly reduced total rent for five years. The relocation is expected to save the U.S. more than $1 million over that period.

Citing the relocation arrangements in connection with the various current steps in improving U.S.-Japan trade, Weil said, "We are on the right track with Japan. It's going to take a lot of persistent effort on their part and ours, but we have begun to open their doors wider to our exports."

U.S. firms are failing to exploit the offered services of the U.S.-Japan Trade Facilitation Committee.

However, Weil said, U.S. manufacturers seeking sales in Japan are failing to exploit one of their best opportunities for access to the Japanese market—the services of the U.S.-Japan Trade Facilitation Committee (TFC).

The TFC was established in September 1977 to help U.S. exporters resolve marketing problems arising from restrictive Japanese trade practices, including government standards and regulations, customs procedures, government procurement policies and "administrative guidance." U.S. firms encountering such problems were asked to advise the TFC through the Commerce Department's Industry and Trade Administration.

"In joining us to set up the Committee, the Japanese demonstrated a positive attitude toward removing nontariff barriers that impede U.S. exports," Weil said.

"Now it is up to the U.S. business community to come forward with detailed information on specific market access problems posed by Japanese Government regulations, procedures and practices.

"If, as the Japanese say, U.S. manufacturers must 'exportize' to sell to Japan, then Japan must 'importize' to admit more U.S. goods—and U.S. industry can make a major contribution to the process. Unfortunately, industry is not yet adequately exploiting this unique opportunity."

Any U.S. company with a problem to present to the TFC should write to Norman D. Glick, TFC Project Manager, BIEPR/OCA, U.S. Department of Commerce, Washington, D.C. 20230, or telephone him on 202-377-4332. The company should provide pertinent information and documentation, including name and address of Japanese representative, a description of the trade problem, and names of Japanese Government agencies involved.

The company should state when the problem was first encountered, action taken to solve it and the Japanese Government agency's response. A citation of applicable Japanese Government regulations, with an English abstract of pertinent sections if available, should be included.

The company also should estimate the annual value of U.S. exports of the involved product or service to Japan, as well as the value of exports if the market impediment were removed.

Commerce will review the information to insure that the complaint is appropriate for TFC consideration and, if so, will prepare a formal complaint for transmittal to the Japanese.

The TFC's scope of work does not include import duty or import quota levels, which are the subject of discussions in the Multilateral Trade Negotiations in Geneva. It also does not include problems or disputes arising in private business dealings between Japanese and American firms, such as non-payment, non-delivery of goods, failure to meet contractual obligations, and patent or trademark infringements.

U.S. Share Of Exports Declines For Second Consecutive Year; At Lowest Level Since 1973

The U.S. share of world exports of manufactures, excluding shipments to this country, fell by seven-tenths of a point to 19.8 percent in 1977. The drop was of the same magnitude as the decline reported last year, and reduced the relative U.S. position as exporter of manufactured products to its lowest level since 1973.

The annual share decline in 1977 resulted from irregular quarterly movements. After falling in January-March to the lowest percentage since the second quarter of 1974, this country's share picked up in the following two quarters. The July-September rise was probably due in part to some step-up in shipments in anticipation of the dock strike which began Oct. 1 and affected containerized shipping at East and Gulf Coast ports during October and November. The negative impact of this strike on U.S. exports probably contributed to the slippage of more than a full percentage point in the U.S. share during the fourth quarter. U.S. exports of all commodity groups showed a considerable drop in share in the final quarter, but the declines were sharpest in chemicals and nonelectric machinery.

Part of the deterioration in the relative U.S. export position in 1977 may be attributed to the general increase in the value of the U.S. dollar against the currencies of many countries which are major U.S. markets. Over the past two years the dollar, on a manufactures export-weighted basis, has appreciated by 18 percent against the currencies of 67 countries as a group, despite the important exceptions to this general trend, notably the deutsche mark and the yen. This development has tended to raise the relative price of U.S. exports in many markets which may have reduced demand for U.S. products. Although the currencies of a number of major U.S. competitors have also appreciated overall vis-a-vis their trading partners, in most cases the increases were smaller than the rise in the U.S. dollar in 1976-77.

The value of world manufactures exports, as represented by the exports of the 15 major industrial countries, continued to grow last year at about the same pace as in 1976—13 percent. Prices, which had increased only slightly in the former year, played a much larger role in the 1977 value rise. Thus, the volume of goods traded rose less than in the previous year. This slowdown in the expansion of real exports can be attributed in large part to sluggish demand resulting from the lackluster performance of many of the world's largest economies. Also in several of the major developing countries, financial and economic problems lingered, sharply reducing their purchases of foreign goods. The economies of most of the larger countries, after recording relatively strong gains in economic activity early in 1976, slowed later in that year and continued to show only modest growth throughout 1977.

U.S. manufactured exports advanced by only 4.4 percent in 1977, considerably slower than in the previous year. In real terms, they declined by about 1.5 percent. Exports of manufactures from the other industrial nations as a group, adjusted for exchange rate changes, rose faster than those from this country, resulting in a deterioration in the overall U.S. position. Shipments from the United Kingdom, Italy, Switzerland, and Japan increased most rapidly, while those from the Netherlands and Sweden grew at a below-average rate.

The decline in the U.S. share extended to all commodity groups except chemicals. A sizable part of the overall share reduction stemmed from nonelectric machinery, where this country's position fell by 1.7 percentage points, and from transport equipment, which was lower by 1.3 percentage points. The U.S. share remained about the same in electric machinery exports. In the basic and miscellaneous manufactures groups, our position slipped by half a percentage point or less.

The U.S. share of nonelectric machinery exports dropped to 25.1 percent, the lowest level since 1972. U.S. shipments grew more slowly than last year, partly as a result of reduced sales of metalworking, mining, and well-drilling machinery. In contrast, shipments of electronic computers and cooling equipment continued to expand vigorously. Exports from the other suppliers as a group climbed somewhat faster than in the previous year, especially those of Japan, Italy, and the United Kingdom.

The decline in the U.S. transport equipment share to 23.8 percent was not as great as in the previous year when the drop was nearly three percentage

U.S. SHARE OF WORLD EXPORTS OF MANUFACTURES

Quarters adjusted for seasonal variation

Commodity	U.S. exports (million dollars)	U.S. share* (% based on export-weighted exchange rates [1])
Manufactures, total		
1976	78,526	20.5
1977	81,966	19.8
1976 1st qtr.	18,510	20.5
2nd	19,578	20.6
3rd	19,956	20.3
4th	20,419	20.6
1977 1st	20,002	19.9
2nd	20,422	20.0
3rd	21,031	20.4
4th	20,582	19.1
Chemicals		
1976	10,032	20.6
1977	10,938	21.1
1976 1st qtr.	2,344	20.3
2nd	2,589	21.1
3rd	2,494	20.2
4th	2,605	20.8
1977 1st	2,694	21.1
2nd	2,773	21.6
3rd	2,929	22.6
4th	2,542	19.2
Nonelectric machinery		
1976	22,199	26.8
1977	22,465	25.1
1976 1st qtr.	5,350	26.8
2nd	5,545	26.9
3rd	5,555	27.0
4th	5,687	26.6
1977 1st	5,654	26.3
2nd	5,570	25.3
3rd	5,726	25.2
4th	5,523	23.5
Electric machinery		
1976	9,509	23.3
1977	10,498	23.2
1976 1st qtr.	2,147	22.7
2nd	2,332	23.3
3rd	2,506	23.8
4th	2,507	23.4
1977 1st	2,511	23.4
2nd	2,603	23.4
3rd	2,677	23.4
4th	2,731	22.5
Transport equipment		
1976	18,334	25.1
1977	18,673	23.8
1976 1st qtr.	4,134	24.5
2nd	4,577	25.5
3rd	4,776	23.9
4th	4,904	26.4
1977 1st	4,320	22.3
2nd	4,618	23.8
3rd	4,747	24.9
4th	4,993	24.1
Basic manufactures		
1976	11,513	11.9
1977	11,718	11.4
1976 1st qtr.	2,873	12.6
2nd	2,846	11.8
3rd	2,882	11.7
4th	2,886	11.5
1977 1st	2,984	11.7
2nd	2,978	11.5
3rd	2,974	11.7
4th	2,799	10.7
Misc. manufactured articles		
1976	6,939	17.1
1977	7,674	16.9
1976 1st qtr.	1,662	17.3
2nd	1,689	17.1
3rd	1,733	17.0
4th	1,830	17.0
1977 1st	1,839	17.0
2nd	1,880	16.9
3rd	1,978	17.2
4th	1,994	16.4

Note: Figures for 1977 are preliminary. The term "manufactures" refers to chemicals, machinery, transport equipment, and other manufactures except mineral fuel products, processed food, fats, oils, firearms of war, and ammunition. World exports are defined as exports from the 15 major industrial countries. Percentage shares are based on values excluding shipments to the United States. These nations, which account for 80 percent of world exports of manufactures to foreign markets, are: United States, Austria, Belgium-Luxembourg, Canada, Denmark, France, Fed. Rep. of Germany, Italy, Netherlands, Norway, Sweden, Switzerland, United Kingdom, Japan.

* Of world exports to foreign markets.

[1] Export-weighted exchange rate indexes are calculated for each supplier in each period, using official rates of exchange *vis-a-vis* 67 principal markets.

points. Foreign sales of both this country and the other major suppliers grew more slowly than in 1976, but our competitors' sales, excluding those to the United States as in other product groups, nevertheless outpaced ours. The largest increases were recorded by the United Kingdom, Japan, Germany, and Italy. U.S. exports of civilian aircraft declined after leveling in 1976, although military plane deliveries rebounded sharply from the previous year's drop. At the same time, U.S. exports of road motor vehicles and parts advanced somewhat more slowly than in the previous year.

A fall of half a percentage point was reported in the U.S. standing in basic manufactures, a group including semi-manufactures of various materials and certain finished metal products. The U.S. share thus dropped to 11.4 percent. As in nonelectric machinery and transport equipment, exports in 1977 showed only a slight rise in value from the level of the previous year. Declines in U.S. exports were widespread, particularly in steel, reflecting worldwide excess capacity, and copper where prices continued to decline. On the other hand, sales of rubber manufactures were buoyant, as were those of various metal manufactures. Shipments from the other suppliers were paced by those of the United Kingdom and Italy, both of which stepped up exports at a faster pace than in the previous year.

Despite a sizable increase in deliveries, the U.S. share in miscellaneous manufactured articles fell slightly to 16.9 percent. Leading the rise were larger shipments of photographic equipment, clothing, and

U.S. SHARE OF WORLD EXPORTS OF MANUFACTURES

1958-77

Commodity	U.S. exports (million dollars)	U.S. share* (% based on export-weighted exchange rates[1])
Manufactures, total		
1958	11,221	27.7
1959	10,867	25.6
1960	12,716	25.3
1961	12,924	24.1
1962	13,835	24.6
1963	14,459	23.6
1964	16,718	24.0
1965	17,648	22.8
1966	19,510	23.0
1967	21,090	23.3
1968	24,113	23.6
1969	27,132	22.5
1970	29,730	21.3
1971	30,845	20.1
1972	34,285	19.1
1973	45,574	19.5
1974	64,559	20.2
1975	72,118	21.2
1976	78,526	20.5
1977	81,966	19.8
Chemicals		
1958	1,410	29.6
1959	1,562	29.1
1960	1,779	29.6
1961	1,793	28.2
1962	1,880	27.9
1963	2,013	26.9
1964	2,369	27.1
1965	2,407	24.7
1966	2,693	24.6
1967	2,812	23.7
1968	3,296	24.2
1969	3,393	21.9
1970	3,840	21.9
1971	3,855	20.0
1972	4,162	18.6
1973	5,781	19.1
1974	8,891	18.6
1975	8,748	20.1
1976	10,032	20.6
1977	10,938	21.1
Nonelectric machinery		
1958	2,818	35.0
1959	2,835	33.8
1960	3,250	32.7
1961	3,605	31.1
1962	3,945	30.9
1963	4,062	30.2
1964	4,678	31.4
1965	5,068	30.9
1966	5,578	30.1
1967	5,984	30.2
1968	6,347	29.4
1969	7,223	28.8
1970	8,444	28.1
1971	8,561	25.6
1972	9,637	25.1
1973	12,212	25.2
1974	16,811	26.3
1975	21,088	27.8
1976	22,199	26.8
1977	22,465	25.1
Electric machinery		
1958	1,067	32.8
1959	1,045	30.6
1960	1,090	28.2
1961	1,231	27.0
1962	1,367	27.3
1963	1,501	26.8
1964	1,676	26.2
1965	1,674	24.0
1966	1,916	25.2
1967	2,117	25.8
1968	2,303	25.1
1969	2,703	24.4
1970	3,033	22.7
1971	3,098	21.1
1972	3,741	20.9
1973	5,094	21.6
1974	7,156	23.0
1975	7,771	22.3
1976	9,509	23.3
1977	10,498	23.2
Transport equipment		
1958	2,491	35.3
1959	2,188	32.0
1960	2,671	33.2
1961	2,515	30.5
1962	2,748	31.9
1963	2,710	28.2
1964	3,058	28.4
1965	3,455	28.4
1966	3,727	28.7
1967	4,539	31.8
1968	5,882	34.3
1969	6,570	32.4
1970	6,542	29.0
1971	7,948	29.7
1972	8,347	26.4
1973	10,813	27.0
1974	14,583	29.0
1975	17,281	27.8
1976	18,334	25.1
1977	18,673	23.8
Basic manufactures		
1971	4,537	10.8
1972	5,073	10.5
1973	7,444	11.4
1974	11,490	12.3
1975	11,230	12.5
1976	11,513	11.9
1977	11,718	11.4
Misc. manufactured articles		
1971	2,846	16.1
1972	3,326	15.5
1973	4,230	16.2
1974	5,628	17.3
1975	6,002	17.3
1976	6,939	17.1
1977	7,674	16.9

Note: Figures for 1977 are preliminary. The term "manufactures" refers to chemicals, machinery, transport equipment, and other manufactures except mineral fuel products, processed food, fats, oils, firearms of war, and ammunition. World exports are defined as exports from the 15 major industrial countries. Percentage shares are based on values excluding shipments to the United States. These nations, which account for approximately 80 percent of world exports of manufactures to foreign markets, are: United States, Austria, Belgium-Luxembourg, Canada, Denmark, France, Federal Republic of Germany, Italy, Netherlands, Norway, Sweden, Switzerland, United Kingdom, and Japan.

* Of world exports to foreign markets.

[1] Beginning 1971, export-weighted exchange rate indexes are calculated for each supplier in each year, using official rates of exchange *vis-a-vis* 67 principal markets.

measuring and controlling instruments. Among the other suppliers, the largest increases were reported by Japan, the United Kingdom, and Italy.

As the growth in exports of electric machinery from this country and its competitors slowed, the U.S. position was virtually unchanged at 23.2 percent. Our relative position thus remained near its record high set in 1976. Japan, the United Kingdom, and Switzerland were among those nations reporting larger advances than the overall average. Leading the expansion in U.S. electric machinery exports were deliveries of measuring and controlling instruments and household electrical equipment.

Only in chemicals did the U.S. share show an increase from the previous year. Rising by half a percentage point, the U.S. position as exporter of chemicals advanced to 21.1 percent, the highest level since the beginning of the decade. Nevertheless, U.S. exports increased more slowly than in the previous year. The growth in U.S. shipments was buoyed by higher sales of nuclear materials and organics. In addition, deliveries of manufactured fertilizers rebounded significantly. The United Kingdom posted the most rapid rate of increase among our competitors, but shipments from Italy also advanced strongly.

Official Trade Briefs

This article is another in a series of reports that describes actions affecting world trade, as compiled by the Import Policy Division of the International Economic Policy and Research Bureau's Office of International Trade Policy.

THE PRESIDENT

Section 301 Case on Soviet Marine Insurance Restrictions: The President has determined that practices of the Union of Soviet Socialist Republics, with respect to marine insurance on U.S.-USSR cargoes, constitute an unreasonable burden and restriction on U.S. commerce. The determination was issued following Presidential consideration of a complaint filed under section 301 of the Trade Act of 1974 by the U.S. marine insurance industry. The complaint alleged that U.S. marine cargo underwriters are virtually precluded from entering the market for insuring U.S.-USSR shipments. Section 301 authorizes the President to take appropriate action, including imposition of retaliatory import restrictions, in response to foreign restrictive trade measures.

CONGRESS

Extension of MFN Treatment to Hungary: The House has passed H.Con. Res. 555, to approve the extension of Most-Favored-Nation (MFN) treatment with respect to products of the Hungarian People's Republic. This action follows conclusion of a trade agreement between the United States and Hungary (See *Commerce America*, March 13) and U.S. receipt of Hungarian assurances that Hungary's emigration practices will henceforth lead substantially to achievement of the Trade Act's objectives regarding freedom of emigration. The agreement and the assurances are both prerequisites to extension of MFN tariff treatment to nonmarket countries under the Trade Act of 1974. The MFN tariff treatment must be approved by both houses of Congress before it becomes effective. If the extension is approved by the Senate, Hungary will become the fourth Eastern European communist country to be granted MFN tariff treatment. The other nations are Yugoslavia, Poland, and Romania.

Bills passed—Senate: The Senate passed with committee amendment and cleared for the House S. 2928, authorizing funds through fiscal year 1981 for programs administered under the **International Investment Survey Act** for the collection and dissemination of information on foreign investments in the U.S. and U.S. investment overseas.

The Senate passed, with committee amendment, H R. 5052, to impose quotas on the importation of **beef.**

Bills Reported—House: The Committee on Banking, Finance and Urban Affairs met and ordered reported favorably to the House H.R. 9486, as amended, to authorize contribution by the United States to the Tin Buffer Stock established under the **Fifth International Tin Agreement.**

Bills Reported—Senate: The Committee on Banking, Housing and Urban Affairs favorably reported with amendments S. 2520, extending until September 20, 1983, the authority of the **Export-Import Bank** to make new commitments. As approved by the committee, the bill would place a $40 billion limit on the Bank's aggregate credit and insurance. Also, the Committee on Commerce, Science and Transportation amended and ordered reported H.R. 9518, to provide for a three-year period to reach a permanent solution of **rebating practices in U.S. foreign trade.**

Finally, the Committee on Agriculture, Nutrition and Forestry ordered favorably reported S. 2947, authorizing the Secretary of Agriculture to regulate the exportation of **animal semen.**

Committee Action—House: The Committee on Ways and Means' Subcommittee on Trade held a hearing on proposals to amend the **Meat Import Quota Act.** Several witnesses from public and private sectors presented testimony.

Also, the Committee on International Relations held a hearing on H.Con.Res. 599 and 601, disapproving the export of low-enriched **uranium** to India. Representatives from several agencies presented testimony.

The Committee on International Relations' Subcommittee on International Economic Policy and Trade held a hearing on **agricultural exports** and U.S. foreign economic policy. Representatives from the private sector provided testimony.

The Subcommittee on Department Investigations, Research and Oversight of the Committee on Agriculture met and approved for full committee action H.R. 11442, formerly H.R. 10946, the Agricultural Trade Act of 1978. The Subcommittee also held a hearing on the Grassley exports sales amendment to H.R. 11442. Testimony was heard from USDA, GAO and public witnesses.

Finally, the Committee on Armed Services' Subcommittee on NATO Standardization, Interoperability and Readiness held a hearing on United States economy, employment, **balance of trade and technology transfer.** William Cox, Commerce's Deputy Chief Economist, presented testimony.

Committee Action—Senate: The Committee on Finance's Subcommittee on Tourism and Sugar began hearings on S. 2990, to implement the **International Sugar Agreement,** to protect the welfare of consumers of sugar and those engaged in the domestic sugar-producing industry, and to promote exports. Witnesses representing the industry as well as the Federal agencies presented testimony.

The Subcommittee on Foreign Agriculture Policy of the Committee on Agriculture, Nutrition and Forestry held hearings on **vegetable** imports from **Mexico,** receiving testimony from several witnesses.

Also, the International Finance Subcommittee of the Committee on Banking, Housing, and Urban Affairs held joint oversight hearings with the Science, Technology, and Space Subcommittee of the Committee on Commerce, Science and Technology on the competitiveness of U.S. high technology exports in world markets, as well as oversight hearings on restrictions employed by foreign countries to limit **imports of U.S. goods.**

In other committee proceedings, the Subcommittee on Arms Control, Oceans, and International Environment of the Committee on Foreign Relations met in closed session to hear officials of the Central Intelligence Agency on the proposed export of **enriched nuclear fuel** to India.

New Legislation: In the first and second sessions of the 95th Congress, 401 trade and related bills have been introduced. Those not previously reported include:

H.R. 12589, to authorize appropriations for fiscal year 1979 under the **International Investment Survey Act of 1976;** H.R. 12604, H.R. 12667 and H.R. 12742 to implement the **International Sugar Agreement,** to protect the welfare of consumers of **sugar** and of those engaged in the domestic sugar producing industry, and to promote the exports of the United States.

H.R. 12612 and 12787, to modify the method of determining quantitative limitations on the importation of certain **meat and meat products,** and to apply quantitative limitations on the importation of certain additional artcles of meat, meat products, and livestock; H.R. 12673, to expand exports of **agricultural commodities,** to reorganize the U.S. Department of Agriculture for purposes of facilitating exports of agricultural commodities, to increase the amount of information available to residents of the United States regarding exports of agricultural commodities, and to increase the resources of the **Commodity Credit Corporation** for purposes of financing exports of agricultural commodities; and H.R. 12685, to amend the **Trade Act of 1974.**

Also, H.R. 12739, to suspend the duty on **live worms** until the close of June 30, 1981; H.R. 12747 and 12748 to amend the Export Administration Act of 1969 prohibiting the export of certain **militarily significant items** to the Republic of South Africa; and H.R. 12752, to repeal the statutory

Films On Exporting

Two new export promotion films to be used at Commerce Department seminars and workshops are available to the public through Commerce District Offices or the Industry and Trade Administration's Office of Public Affairs (202-377-3808) which produced them. "Export Opportunity" shows how three firms used Commerce informational or marketing programs in selling abroad; "'E' Is For Exporting" takes a viewer through the steps that can lead a small manufacturer into export. The 16-minute sound and color movies are available in Fairchild super 8mm and 16mm.

authority to impose quotas on certain imported **meat and meat products.**

In addition, H.R. 12882, and H.R. 12884 to amend the Tariff Schedules of the United States to provide duty-free treatment for **certain gloves** and **trousers** which incorporate protective features designed specifically for use in forestry and to permit the duty-free entry of **petroleum** and **petroleum products** necessary for the strategic petroleum reserve program; H.R. 12902, to suspend the duty on **gypsum building boards** and **laths** until the close of June 30, 1981; H.Con.Res. 629, 630, and 631, disapproving the proposed export of **low-enriched uranium to India.**

Also, S. 3058, to promote **steel trade negotiations** under the Trade Act of 1974; S. 3059, to amend the Trade Act of 1974 with respect to the reservation of **textiles** and **textile products** from negotiation; S. 3075, to amend the **Foreign Assistance Act of 1961** and the **Arms Export Control Act**; and S. 3077, to amend and extend the **Export-Import Bank Act of 1945,** and S. 3127, to amend the Anti-dumping Act, 1921, the Tariff Act of 1930 and Section 801 of the Revenue Act of 1916.

TREASURY DEPARTMENT

Antidumping Cases: The Treasury Department has announced formal affirmative findings of dumping involving **impression fabric of man-made fiber** and **carbon steel plate,** both from Japan. The announcements follow Treasury Department findings of sales of the products at less-than-fair value and U.S. International Trade Commission (ITC) findings of injury to the domestic industries as a result of such sales. Special dumping duties, in the amount of the dumping margins, will be assessed on imports of the subject products.

In addition, Treasury has terminated its investigation regarding alleged U.S. sales at less-than-fair value of **nylon yarn** from Japan. The U.S. petitioner withdrew its dumping complaint following an offer by Japanese producers to revise their selling prices in the U.S.

The Department has also issued notice of withholding of customs appraisement in the cases involving imports of **steel wire strand** from Japan and India. The Indian case is being submitted to the ITC for an injury finding, following a final determination of sales at less-than-fair value. In the Japanese case, the Treasury Department has until Aug. 13 to make a final determination of sales at less-than-fair value.

Finally, the Department has initiated a new investigation to determine the existence of sales at less-than-fair value of imports of **methanol** from Canada.

Countervailing Duty Cases: The Department has initiated three new countervailing duty cases, following petitions alleging the bestowal of bounties or grants on the subject products. The items involved are certain **nonrubber footwear** from India, **oleoresins** from India and **ampicillin trihydrate** from Spain.

COMMERCE DEPARTMENT

Trade Adjustment Assistance: The Commerce Department has recently certified fourteen firms as eligible to apply for trade adjustment assistance. The firms produce **footwear, steel forgings, wire, knitting machines, apparel, shoe soles, fabrics, digital watches, quartz crystals, handbags** and **ceramic mosaic tiles.** No firms were denied eligibility.

LABOR DEPARTMENT

Workers' Trade Adjustment Assistance Certifications: The Labor Department, having found that approximately 5,900 workers have been or may become unemployed as a result of increased imports, has certified these workers as eligible to apply for trade adjustment assistance. They are or were employed at firms producing the following products or engaging in the following services: **sugar, semi-conductors, apparel, leather products, copper, vises, administrative support functions in the steel industry, footwear, scanners, wallpaper, rechargeable battery packs, high carbon ferromanganese, ferrosilicon, silicomanganese, vinyl handbags, heat sinks, plastic toys, chassis for video televisions, for tape decks, for FM monaural radios and for stereo receivers, rubber soling, glass-to-metal seals for electronic components, rails and accessories, fiberglass fishing rods, zinc and copper concentrates, endless belts, steel, woodwind instruments, knives, glass candle holders, and lamp parts, wire** and **cable assemblies, processed limestone and metallurgical stone, packaging machines** and **fabric.**

Denials: The Department denied petitions for trade adjustment assistance for over 5,200 workers engaged in the manufacture of the following goods or performance of the following services: **apparel, handheld transmitter/receiver units, sintered iron ore, annealing covers and general metals fabrication, transport operations, steel products, footwear and parts thereof, tanned sheepskin, suede garment leather, coke, servicing of vending machines, computer programs, drawings, specifications, methods, and assembled transformers, electrical sheet, concrete reinforcing bar, telephone and telegraph apparatus, components, and equipment, licorice and licorice type candies, fabric, shipping of apparel, hot tops, Soffelex insulator board and exothermic compounds, leather goods, textile printing on fabrics, telephone services, cryogenic processing and storage equipment and distribution for air separation units, galvanizing service for iron fabricators and jobbers, cutting dies, railroad freight cars, refractory and graphite refractory products, copper-clad and aluminum-clad steel wire products, woven cloth, tanned sheepskin, paint brushes and rollers, shoe lasts, precision machining for atomic energy and guided missile programs, rigid and folding shoe boxes, window trimming, grey iron castings, buying and selling wire rod and wire products, oil drilling pumps, wellhead control equipment, triplex pumps, slush pumps, converters and cranes,** and **fabricating welding and installing equipment for agricultural use on sugar plantations.**

Investigations: Of the investigations recently initiated by the Department of Labor to determine whether workers at various plants are eligible to apply for adjustment assistance, the products most frequently involved are **apparel, shoes and parts,** and **metals and metal products.**

INTERNATIONAL TRADE COMMISSION

Import Relief—Section 201: The U.S. International Trade Commission (ITC) has issued a finding that imports of **slab zinc** are not entering the United States in such increased quantities as to be a substantial cause of serious injury to the domestic industry producing similar goods. The finding was made following an ITC investigation under the "escape clause" provisions of section 201 of the Trade Act of 1974.

Antidumping Cases: The Commission has announced a finding that domestic sales at less-than-fair value of **impression fabric of manmade fiber** from Japan are causing injury to a domestic industry. In addition, the ITC has initiated an injury investigation in the case involving **steel wire strand** from India, following an affirmative Treasury finding of sales at less-than-fair value.

Market Disruption—Section 406: The ITC has commenced its second investigation under section 406 of the Trade Act of 1974 following allegations that market disruption exists with respect to **clothespins** imported from the People's Republic of China, Poland, and Romania. Under section 406, the President is authorized to

provide import relief if a finding is made that imports from a Communist country are causing market disruption with respect to an article produced by a domestic industry.

INTERNATIONAL

Foreign Antidumping Actions: The Government of Canada has announced that a final affirmative determination of dumping has been made and an antidumping duty will be assessed on Canadian imports of **slate bed billiards, pool** and **snooker tables** from the United States.

In other Canadian action, dumping investigations have been initiated regarding alleged sales at less-than-fair value of **stainless steel pipe** and **tube** from the United States.

Finally, the Commission of the European Communities has opened an inquiry into possible dumping by U.S. producers of certain **polyamide** and **polyester high tenacity yarn.**

Foreign Safeguard Actions: Both Australia and Portugal have recently announced imposition of temporary import restrictive measures.

The Australian restraints are in the form of quantitative restrictions on imports of **double-edged safey razor blades** and increased duties on certain **wool worsted yarns.** The Portuguese restrictves are in the form of extension, through 1978, of an import quota system for **completely knocked down motor vehicles.**

Finally, the Government of Japan has announced lifting of quantitative restrictions on eleven **agricultural items** and on **anthracite coal.**

RISE IN SHOE IMPORTS FROM HONG KONG LEADS TO CONSULTATION CALL

A recent sharp rise in shipments of footwear from Hong Kong to the U.S. has prompted a request by the U.S. for consultations with Hong Kong authorities.

Discussing this development, Under Secretary of Commerce Sidney Harman said that there is concern "about the speed and magnitude of the recent rise in imports, which could serve to offset the decline in U.S. imports from Taiwan and Korea."

Dr. Harman commented: "Just about a year ago, President Carter initiated orderly marketing agreements with the Republic of China and Korea to slow down imports and allow the domestic footwear industry to revitalize. This purpose will not be served if the domestic industry is swamped by imports from other countries."

During the first four months of 1978, imports of footwear from Hong Kong rose 235 percent over the same months of 1977 and accounted for 10 percent of U.S. footwear imports in April.

At a footwear technology symposium sponsored by the Commerce Department, Dr. Harman noted industry concern over rising imports from countries not covered by orderly marketing agreements.

"We share the footwear industry's concern about these developments," he said, "and I would like to stress at this time that we do not intend to permit imports from uncontrolled sources to jeopardize the goals of the President's program. We have already asked the Hong Kong Government for consultations, and we will not hesitate to make the same request to other governments as well."

The orderly marketing agreements, instituted in 1977 and effective through 1981, provide that the Republics of Korea and China would reduce shipments to the United States from the high levels achieved in 1976, but allow an annual rise in shipments in each year of the agreements. Over the four years, shipments from Korea were to rise from 33 million pairs to 38 million; shipments from the Republic of China from 122 million to 131 million.

Hong Kong currently is the sixth leading supplier of footwear to the U.S., following Taiwan, Italy, Spain, Korea and Brazil.

Foreign Industrial Output Rose, Led By France

Foreign industrial production in the first quarter of 1978 increased 7.1 percent at an annual rate.

The sharp advance followed a fourth quarter of 1977 gain of 0.7 percent, and was a major reversal of second and third quarter 1977 declines of 6.3 and 0.1 percent, respectively. For the quarter, the index stood at 121.9 compared with the fourth quarter level of 119.8.

These findings are contained in the latest "Foreign Industrial Production" report published by the Commerce Department's Industry and Trade Administration. The index is a weighted average of industrial production in six countries (Canada, France, Italy, Germany, the United Kingdom and Japan), and covers approximately 80 percent of total developed-nation production outside the United States.

Despite the overall increase in the first quarter, March foreign industrial production declined 0.1 percent from the February level. The monthly index stood at 121.7 (1970=100), compared with a revised February figure of 121.8.

France posted the largest gain (2.4 percent above February's output) of any country in the composite index during March. Output in Japan also registered a large advance, increasing 1.7 percent in March. Canadian industrial production was unchanged during the month, after rising 1.5 percent in February.

Output in the United Kingdom fell 0.3 percent in March, following advances in the previous three months. Although Italian production was up strongly for the quarter, it declined 1.1 percent in March. After sinking 3.3 percent in February, March production in Germany fell an additional 2.6 percent.

Copies of the current "Foreign Industrial Production" report are available from the Industry and Trade Administration (Rm. 2039), U.S. Department of Commerce, Washington, D.C. 20230, telephone 202-377-4921.

INTERNATIONAL PATENT FILINGS BEGIN UNDER NEW COOPERATION TREATY

The first international patent application under the Patent Cooperation Treaty has been filed with the U.S. Patent and Trademark Office. The treaty came into force in January after being in development since 1966.

Lutrelle F. Parker, Acting Commissioner of Patents and Trademarks, commented that the treaty is the most important such arrangement in its field in nearly 100 years. He said: "The treaty will make it easier for American businesses to obtain patent protection abroad and will aid our balance of payments."

U.S. patent applicants, by filing an international application in the U.S. Patent and Trademark Office, will be able to effect a simultaneous filing in as many PCT member countries as they designate.

Such applicants will then have at least eight months in addition to the 12 months provided by the Paris Convention in which to furnish translations and pay the national fees for the countries designated. Furthermore, prior to the time for paying national fees and furnishing translations, the applicant will receive an international search report prepared by a patent examiner in the U.S. Patent and Trademark Office to aid in evaluating whether to continue to seek protection in the designated countries.

Eighteen countries are members of the PCT: Brazil, Cameroon, the Central African Empire, Congo, the Federal Republic of Germany, France, Gabon, Luxembourg, Madagascar, Malawi, the Republic of Chad, Senegal, the Soviet Union, Sweden, Switzerland, Togo, United Kingdom and the United States.

June 1 was the initial date for the filing of European patent applications in the European Patent Office under the European Patent Convention. The EPC will allow a single office to grant patents effective in a number of countries. The English language may be used in applications filed with the European Patent Office and the formal requirements for applications are the same as those in the Patent Cooperation Treaty.

U.S. FOOD PROCESSING EQUIPMENT POPULAR IN AUSTRALIA, PHILIPPINES

In Australia, proposed legislation establishing a 200-mile fishing limit is spawning increased interest in food processing and packaging. In the Philippines, government steps to expand agricultural output are prompting similar trends.

Close to a half-million dollars' worth of U.S. food processing and packaging equipment was sold in these growing markets recently, as executives of seven firms comprising a trade mission from the United States visited Manila, Sydney, Brisbane, and Melbourne.

In Manila, from the moment the mission members arrived until departure, they were swamped with customers wanting to invest in equipment or represent them, according to Mission Director Robert Kelly of the Commerce Department. Such equipment is expected to remain a major growth sector throughout the decade; and as domestic production is limited, demand will continue to be met primarily through imports. The need to feed a growing population, the steadily rising disposable income of an expanding middle class which is adding to the demand for convenience foods, and the government's massive infrastructure program designed to make the rural areas more easily accessible to trade—all are contributing to the demand for food processing and packaging equipment. American machinery should continue to have a large share of this market, where quality and performance is more important than price. Major competitors are the United Kingdom, Japan, and Germany.

Australia as exporter

Though Australia has a population of only 14 million compared to the Philippines' 46 million, Kelly points out, the mission was impressed with the market potential it found. The Australians themselves, as well as the nation's overseas customers, are demanding more and better processed foods. Within 24 hours of the mission's first work day, two Australian agents for U.S. equipment had been appointed.

Food processing and packaging is one of Australia's fastest growing industries. The country is the world's largest producer of meat, and 65 percent is exported—which means it must be processed and packaged. It is also the second largest exporter of sugar and the third largest exporter of apples, wheat and dairy products. The processed fish and seafood sectors, meager export earners a few years ago, are fast becoming major earners of foreign exchange.

Two members of the mission specialize in fish processing. Both offer new techniques in the packing and freezing of fish on board vessels—which will have wider application if the recent proposal to ban foreign vessels from Australian waters up to 200 miles offshore (without a license from the government) becomes law.

Other mission members as well report substantial interest in their companies' equipment—storage tanks, heat exchangers, milk coolers, processing hardware for the meat and bakery industries, packaging machinery, and complete plants.

The Australian food processing and packaging equipment market is forecast to climb at an average rate of ten percent annually—from $100 million in 1975 to $145 million in 1979. U.S. equipment, which is particularly suited to large-scale production and accounts for about 30 percent of Australia's imports, is expected to grow steadily in popularity.

The mission members project additional orders of about $5.8 million over the next 12 months. Agreements with 17 agents/distributors for the Philippines and Australia were signed. Participating companies were: Dravo Corp., Muller International, Atlanta Saw, FranRica Manufacturing, Sort Rite International, Clayton Specialties, and General Fish Machine.

TELLING IT IN TOKYO—*Robert A. Worden, Anaren Microwave, Inc., describes his company's equipment to two attendees at microwave systems show.*

U.S. Suppliers Of Microwave Systems, Components Find Ready Market In Japan

Excellent results are reported from a recent microwave systems and components show at the Tokyo U.S. Trade Center. Sales during the show amounted to $600,000, almost two and one-half times the amount concluded during the similar 1975 exhibition. Sales during the next 12 months are projected at $12.8 million, more than double the amount projected as a result of the 1975 show.

Exhibitors reported that highly specialized microwave equipment is purchased in Japan for the quality of technology rather than price, and, for that reason, the steep appreciation of the yen over the past year has had little effect on the volume of sales. Because of the superiority of U.S. technology and materials, competition from Japanese suppliers is expected to remain minimal.

The Japanese market for the products exhibited is limited largely to government and semi-government agencies, laboratories and national university laboratories. Japanese suppliers are expected to maintain their price and technological advantage in commercial microwave equipment for the domestic and overseas markets.

U.S. BUSINESS GROUP IN MANILA—*During recent food-processing equipment mission, U.S. Commercial Attache Wyatt Martin (left) and Mission Director Robert Kelly (right) talk with the Philippine Secretary of Trade, Troadio T. Quiazon, Jr. In photo at right, participant Ronald Jarrett, left, of Clayton Specialties, Inc., conducts business during mission's consultation hours.*

Concrete-Related Equipment Marketable In Nigeria, Sudan As Housing Develops

Nigeria and Sudan are assessing their current housing needs as part of their overall economic development programs, and are receptive to U.S. technology in this field. Housing almost certainly constitutes the most promising market for U.S. manufactured products, materials, and systems related to concrete in both countries. Consequently, when executives of nine U.S. firms in the concrete construction industry recently explored the possibilities for selling machinery, equipment and supplies in the two countries, they found good potential for closer commercial relations.

The U.S. seminar mission participants presented technical papers on concrete construction and talked with government planning officials and representatives of the private sector. The mission members were surprisingly successful in establishing one-on-one contacts with local officials and businessmen, according to William Avery, chairman of the delegation. Avery, publisher of *Concrete Construction* magazine, reports that the discussions initiated were down to earth and practical, and, with proper follow-up, will almost certainly produce tangible results. Among the products being promoted were: concrete block plants, truck-mounted mixers, handling equipment, steel scaffolding, industrial chemicals, and concrete forming systems.

In Nigeria, the need for housing among the nine million residents of Lagos alone is beyond the present capability of the country's construction industry, according to Avery. Systems for casting single-family concrete housing units should do well throughout the country. Most such systems, he explains, are fairly labor intensive—an advantage in a nation with the largest potential labor pool in all of Africa.

Nigeria's oil-fueled boom is settling down to a more sustainable pace, but housing remains an important aspect of the country's development program — which aims at building 202,000 units during the 1975-80 Third Development Plan. The budget for 1978-79 allocates $193 million for housing development. Government entities at the federal and state levels are involved in the housing projects; therefore, U.S. suppliers would benefit by having a local representative, to keep abreast of current opportunities. U.S. firms will find that competition from Europeans is extremely strong.

Nigeria's imports may be somewhat reduced in the next few years from the 1977 level of $10.7 billion, but the country still should offer significant opportunities to U.S. suppliers. U.S. exports to Nigeria reached $957 million in 1977.

While Nigeria clearly presents an immediate need and a viable market for concrete construction equipment, supplies, and technology, the need in Sudan is far less urgent and the possibilities will develop at a slower pace. However, Avery notes, the potential represented by Sudan should not be overlooked.

The new Sudanese Six-year Development Plan allocates $1 billion for housing and public utilities construction, to be funded by an influx of public and private Arab capital. The lack of any local manufacturing of building supplies and equipment assures that this $1 billion investment will result in substantial export opportunities. In Sudan, as in Nigeria, competition from European suppliers is strong.

The participating U.S. firms expect to develop sizable export markets as a result of the mission, anticipating some $3 million worth of orders in the next year. Since return of the group to the United States, one member has flown back to Khartoum to complete contract discussions initiated during the mission. Chairman Avery also reports that he is receiving follow-up correspondence from individuals in both host countries asking for additional information on some of the subjects discussed. Eleven sales representation agreements were established in Nigeria.

U.S. firms represented on the mission were: Besser Overseas Corp., Alpena, Mich.; Challenge-Cook Bros., Inc., Industry, Calif.; Contractors Supply International Sales Corp., Roslyn Heights, N.Y.; Patent Scaffolding Co., Fort Lee, N.J.; Protex Industries, Inc., Denver; Rexnord International Inc., Milwaukee; Spancrete Machinery Corp., Milwaukee; Strickland Systems Inc., Jacksonville; and Western Forms International, Kansas City, Mo.

Food Processing Equipment Sells Well In Iran, Despite Third-Country Competition

Even a small exhibition abroad can get big results in a growing market.

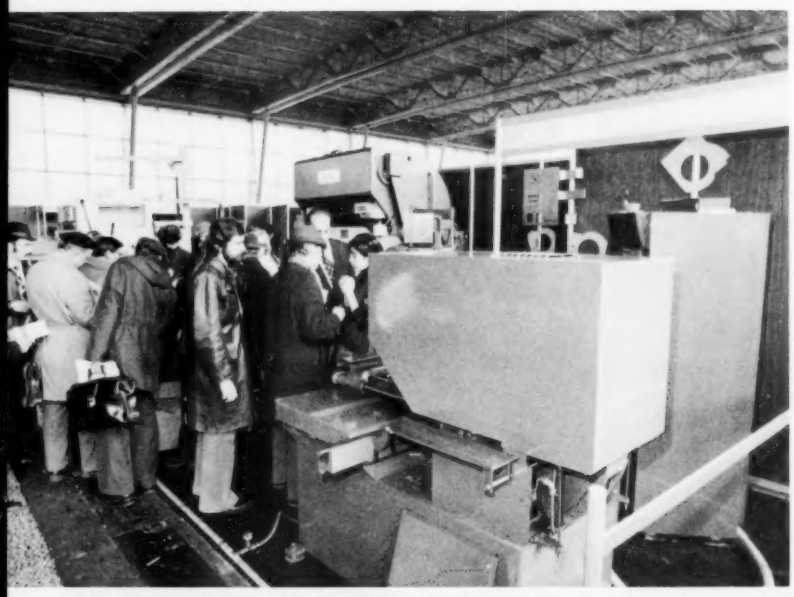
With only 13 participants representing 13 exhibitors, ten of them new to the market, the Tehran U.S. Trade Center's recent showing of food processing and packaging equipment produced $1,062,565 worth of floor sales, and a 12-month projection of $7.8 million.

Products considered to have favorable potential were, among others, equipment for: canning; beverage bottling; meat processing; carton sealing; single valve filling; dairy products processing, cooling, packaging; grinding, mixing, blending; snack food processing and packaging; and specialized labeling.

The recent decrease in the value of the dollar in world markets is providing U.S. suppliers with a new sales opportunity in Iran, the exhibitors found. They also noted, however, that the refusal of their firms to follow business practices considered unethical at home—but that are commonplace in Iran and elsewhere abroad —often proves to be a competitive disadvantage for U.S. export sales.

While few exhibitors claimed any special technological advantages for their equipment, virtually all emphasized the aspects of durability and high output potential. Some equipment had been designed specifically for this market—for example, bakery equipment capable of producing Middle Eastern breads—but there is significant third-country competition for such equipment.

WRAPPING IT UP IN IRAN—*During recent U.S. Trade Center show, Philippe Nassan of Domain Industries (right) discusses his firm's "Doboy" packaging equipment with an interested Iranian visitor and Jack Miklos of the U.S. Embassy.*



U.S. TOOLS ATTRACT BUYERS—*Soviet officials from ministries and foreign trade organizations, and groups of buyers from other East European countries, were among the visitors at Stanki-2 exhibition in Moscow organized by National Machine Builders' Association. Above, left, exhibit of Di-Acro/Houdaille of Lake City, Minn.; right, booth of Parker Hannifin of Cleveland.*

U.S. Tool Builders See Moscow Show Successful, Despite Some Difficulties

Despite some difficulties that were headlined in U.S. press reports, a major American machine tool association has concluded that its trade exhibition in Moscow this spring—a repeat of a 1974 venture—was a success.

Summing up the Stanki-2 show organized by the National Machine Tool Builders' Association in cooperation with the U.S. Department of Commerce and the USSR Chamber of Commerce and Industry, President James A. Gray of the association declared:

"In general, Stanki-2 was a very successful trade promotion effort for the U.S. manufacturers who participated. Significant negotiations were begun between Soviet Foreign Trade Organizations and participating companies. Many companies have indicated that the potential for follow-on sales could be tremendous."

Gray noted that a few difficulties were encountered at the April 4-13 event. USSR Chamber of Commerce personnel at Sokolniki Park proved stringent in leveling fees to be paid in hard currency by the exhibitors during an exhibition. The Soviets also proved to be hardline negotiators, often asking for excessive discounts and special concessions. Moreover, because of U.S. export control regulations not all types of U.S. machine tools could be displayed at Stanki-2 and this led to criticism from the Soviet Foreign Trade Organizations. They contended that Stanki-2 lacked the type of machine tools they need and that this affected their ability to place orders during the show.

Despite these difficulties, however, the 54 participating U.S. firms sold more than $1.7 million worth of equipment. They reported a large number of inquiries and substantive meetings with potential end-users from all parts of the USSR, and are continuing to negotiate. Soviet Ministers from the All-Union Council of Ministers, the Industrial Ministries, and the Soviet Republic Ministries were among the visitors, and groups of buyers came from other Eastern European countries. Follow-on business in 1978-79, the U.S. firms report, should amount to more than $32.4 million.

The experience of ten Illinois firms, as reported to a new Chicago business periodical, bears out these conclusions. Although they left "with empty order pads," the Illinois exhibitors stressed that the show was not a failure and will probably prove profitable in the long run. The day after the show closed, one firm sold one of the machines in its exhibit for more than $50,000. Nicholas Pogany, a trade specialist with the Illinois Department of Business and Economic Development, was told that the manufacturers expect sales to the USSR to reach $11 million during the next 12 months.

Business Equipment Is Money Maker In Southeast Asian Financial Center

Business equipment again proved to be a money maker and a good drawing card at a recent U.S. exhibition, BUSEQUIP 78, in Singapore.

While heavily oriented toward computers, peripheral equipment and software, always a winner in exhibitions in this Southeast Asian financial center, the show included such products as plain paper copy machines, offset printing machines and duplicating equipment. All attracted great interest—not only from the banking industry but from other sectors of government, industry, and commerce.

The star of the show, in audience interest, was the display of the Universal Machine Co., Dallas. A machine billed as "the world's fastest coin counter and verifier," along with its mate, a solid state electronic optical sensing automatic coin wrapper, was surrounded by crowds throughout the exhibition. Visitors reveled in dipping their hands into the bins of coins which, when the machine was turned on, would disappear rapidly into the machine and emerge in machine-gun-like fashion from a slot accurately counted, verified and wrapped.

The firm received so many offers for potential representation that selections could not be made on the spot. "We expect dealers in four countries as a result of the show," said Dallas L. Smith, vice president for banking, "one in Thailand, one in Indonesia, one in Singapore/Malaysia and possible dealers for Hong Kong and Taiwan."

The U.S. International Marketing Center, which staged the event, reported that registered attendance from outside Singapore totaled 111.

To maintain its position as a leading

'STAR OF THE SHOW'—*Coin handling machines demonstrated by Dallas Smith of Universal Machine Co. drew top audience interest at U.S. exhibition in Singapore.*

commercial, financial and servicing center and to offset increasing costs of labor and other inputs, Singapore will continue to require more sophisticated and reliable equipment. This trend presents a bright outlook for U.S. products which are generally known for their advanced technology and sophistication. Currently, there is no local production of automatic business equipment, except for typewriters and electronic calculating machines.

Virtually all of the equipment exhibited has a technological and quality lead over competing models from third countries, and prices are commensurate with such high quality products. U.S. suppliers find it difficult to compete, however, with the low-priced, unsophisticated Japanese products such as calculators and offset duplicators which have captured about 50 percent of the market. Currently, 90 percent of the minicomputers used locally are American-made.

Automated business and banking equipment is mainly supplied to end users through direct selling or through agents. For computers, government departments and statutory boards usually purchase direct from manufacturers. In the private sector, a majority of end users lease their equipment, for two prime reasons: one, payment is a tax deductible expense; and two, companies do not want to commit themselves to expensive equipment which may be insufficient to meet future needs.

The 16 participants representing 27 exhibitors sold $163,000 worth of products off the floor. They project almost $8 million worth of orders in the next 12 months, and expect to conclude about ten representation agreements.

ITALIAN PRINTING INDUSTRY TRENDS TOWARD BROADER ROLE FOR ELECTRONICS

Trends in the Italian printing and graphic arts industry point toward a broader role for electronics.

Italian printers are now in the process of deciding whether to adopt cathode-tube or laser technology for electronic composition, and a recent Milan U.S. Trade Center show emphasized both. A variety of accessories enhanced the display. The visitors were technicians, and they had not come to see everyday products; it was the new equipment or the innovative gadget that was popular. By show's end, actual sales totaled $1,038,300. The 23 new-to-the-market participants estimated orders in the next 12 months at $7.5 million; the 11 experienced in this market expect some $7.1 million worth. Sixteen representation agreements were concluded and 17 were under negotiation.

The best sales potential, according to the exhibitors, is for products of high technology that are not manufactured in Italy. Sophisticated phototypesetting equipment was extremely popular. Newspapers in particular were fascinated by this equipment. Add-on color presses for multilith installations, sheet decurlers, dies for cutting and perforating, and even blue and white printers drew great interest. Photographic developers and processors also did very well. A few of the electronic typesetting systems were a bit too sophisticated for the present Italian market, and a scanner for color analysis and matching did not sell, but these products incited keen interest and they have a definite potential.

The current situation of the dollar makes U.S. products competitive with others on the Italian market. Because of the lack of sophisticated equipment from Italian manufacturers and the generally inflated prices of other suppliers, this competitive edge is likely to be maintained.

As domestic manufacturers are excellent producers of "mechanical" printing and graphics equipment but generally unfamiliar with advanced electronic technologies, such imports are expected to increase—from $72.7 million at mid-decade to an estimated $166.5 million by 1982. The greatest promise for increased U.S. sales will most likely lie in phototypesetting systems, web-offset presses, photographic cameras and scanners, instrumentation and controls, automated and multipurpose binding and finishing equipment.

AT MILAN TRADE CENTER—*Booth shown here was shared by two small firms exhibiting at recent printing and graphic arts exhibition. Clean Print Systems produces an automatic sheet decurler; Ternes Corp., a "step and repeat board."*

CONSUMER-LED RECOVERY IN BRITISH ECONOMY SHOULD BOOST U.S. SALES

An upswing in consumer spending is expected by the U.S. Embassy in London to restore upward momentum to the British economy during the second half of 1978. With the consumer in the lead, prospects are bright for potential American suppliers. A recovery in fixed investment is clearly under way and producer goods suppliers, with a keen eye for potential customers, should benefit from the country's improved economic situation.

Real growth in the British economy last year failed to match the broad recovery in the financial indicators which was so notable in 1977. Gross domestic product grew less than 1 percent, mirroring the virtually unchanged level of industrial production. Sharp declines in consumer expenditure and fixed investment, particularly in the public sector, were barely offset by a healthy rise in net exports and largely unintended inventory accumulation. Current government expenditure was flat. Inflation and unemployment—the basic barometers of economic activity — accurately reflected the slow rhythm of the economy. The rate of price increase subsided rapidly, with the 12-month rise in retail prices easing to 12.1 percent in December and to just over 7 percent by April 1978. Unemployment continued to rise, albeit more slowly than in recent years, standing at 6.0 percent by year-end.

The outlook to mid-1979

With the Spring Budget Message, it became clear that the government's economic strategy depends on a mild fiscal stimulus, slightly tighter monetary policy, and an intention to try to hold the increase in average earnings in the wage bargaining year beginning in August to about half the 14 percent expected in the current pay round. While no firm commitments have been made or are likely to be made by organized labor toward achieving this goal, the environment for wage bargaining should be more conducive to moderate pay settlements. When the bargaining begins in late summer, the 12-month rate of retail price increase should be in the 7-8 percent range rather than the 17-18 percent rate of summer 1977.

Moreover, the next general election, which may well be imminent, is likely to engender more moderate behavior on the part of trade union bargainers. There are other factors working in the opposite direction, but it is reasonable to assume that average earnings will rise more slowly (in the 10 percent range) over the year to July 1979.

On that basis and taking the government's money supply and public sector borrowing targets (£8.5 billion) as given, it is possible to set out the most likely pattern of growth for the major economic aggregates.

Consumer spending will be the principal engine of growth. Real disposable income will continue to rise sharply through the end of 1978, though the rate of increase will begin to slacken during the fourth quarter as retail prices move up in response to rising demand, the impact of the March-April 1978 decline in sterling, and the assumed slowing in the rate of earnings' increase. Nevertheless, real consumer expenditure should rise by about 5 percent in the year through the second quarter of 1979. This figure could be higher should the savings ratio fall much below its 1977 level.

Fixed investment should rise

Gross fixed capital formation is likely to sustain its first overall real gain since 1973. A probable 12-13 percent gain in manufacturing investment in 1978 and a recovery in housing construction from current depressed levels are expected to be the main areas of strength. Public sector fixed investment is scheduled to grow by 6.3 percent between the first halves of 1978 and 1979, a marked reversal of the 11 percent decline of the previous 12 months. In the aggregate, fixed investment seems set to rise by about 2.0 percent in the coming year.

Inventory investment has shown signs of continuing the correction started during the second half of 1977. This correction is likely to have run its course by mid-1978 as rising consumer demand enables manufacturers and distributors to achieve more acceptable ratios of inventories to sales. Thereafter, some rebuilding of inventories may appear during the second half of the year and continue into 1979.

Departure from previous policy

Current government expenditure is slated to rise by 1.8 percent in volume terms during the year through mid-1979. This is a departure from the pattern planned for the last 18 months when expenditure volume was flat. The planned increase is spread among virtually the entire range of programmed expenditure.

The behavior of the external sector continues to be the most difficult to predict. Many forecasters had anticipated that growing North Sea oil revenues would produce a substantial (on the order of £1.5 billion or more) current account

LCD DEMONSTRATION IN LONDON—*Steven Kaye (right), Marketing Manager for Timex Components, Ltd., shows a customer various uses for liquid crystal displays. Scene was at U.S. London Trade Center electronic components show last November.*

surplus in 1978. A strong increase in import volume, which continued through the first quarter of 1978, a disappointing increase in export volume and a sharply reduced invisibles surplus, however, caused most forecasters to revise their assessments for 1978. These developments are not clearly understood but can in part be ascribed to an appreciating pound, and slow growth of other industrial economies. It is felt, moreover, that a high marginal propensity to import consumer goods will, in the face of 1978's anticipated growth, constrain the improvement in the current account. The government officially forecasts a £750 billion current account surplus for the 12 months through June 1979. In line with other forecasts, the government anticipates a declining surplus over that period.

The implications of the foregoing review for industrial production, employment and inflation are fairly straightforward. Imports and the inventory cycle are likely to dampen the increase in industrial production for most of 1978. Toward the end of the year and into 1979, these effects should be smaller. The overall rise in industrial production should therefore be about 3.5 to 4.5 percent, with some of the rise due to rising North Sea oil output. Employment is likely to rise more slowly than output, leading to a cyclical upturn in productivity. Unemployment, which has declined slightly since September, may rise a bit before the end of 1978 and then begin to decline during the first half of 1979. The 12-month rate of retail price increase should remain in the 7.5-8.5 percent range through the summer of 1978 before beginning to rise, reaching 9-10 percent by year-end, under the impact of a weaker pound and rising demand. Thereafter, the rate of inflation should show little further change, perhaps even declining somewhat as labor costs fall slowly in the wake of rising productivity and smaller earnings increases.

Traditionally in forefront

With aggregate demand rising more rapidly in 1978, certain areas of the economy offer better than average prospects for American sales. The United States is traditionally in the forefront in computers and peripherals, automated business equipment and electronics, including security systems. The urge for higher technology and lower dependence on labor will undoubtedly channel increased investments in these sectors. The United States remains strong in aviation and avionics despite European inroads.

Petroleum and offshore equipment remains a lively area, and the future looks bright for U.S. land and submarine mining equipment. U.S. consumer goods are always popular and this market could grow rapidly with the expected increase in disposable personal income.

During three years of recession, U.S. exports of consumer goods to the United Kingdom increased by 40 percent. The Spring Budget will result in putting more money into consumers' pockets. A dynamic approach by U.S. manufacturers to show their products in the United Kingdom, coupled with energetic marketing, would secure an increased percentage of this large, sophisticated market for U.S. manufacturers. Worthy of special attention are do-it-yourself/home improvement sectors (which remained buoyant throughout the recession), fashion and furnishing fabrics, and domestic linens.

The demand for increased efficiency in the office environment continues to spur sales of business equipment across the board. Healthy sales increases are indicated in most sectors, led by word processing systems, reprographs, and information storage and retrieval. The underlying cause is rising staff and property costs, coupled with increasing complexity of business documentation. Distribution channels for business equipment are well developed in Southern England, but the regions are less well served. Several chain operators have made the progression from stationery and supplies through furniture to calculators and copiers, but turnkey office suppliers are still in the pilot operating stage.

Resumed its former growth

The data processing market has resumed its former growth after a three-year period of uncertainty. There is currently an excess of computer power available, causing low utilization of large mainframes, and a scramble for available business by a host of time-sharing firms. The predicted growth in terminal population portrayed as almost exponential until the mid-1980's has proved disappointing for all but the industry leaders, as new developments of intelligent terminals and more advanced printers appear on the market after a very short gestation period.

While the parallel drawn between the U.S. and U.K. markets with a lag of perhaps 2 years in U.K. applications is still true, a divergence is apparent in the data communications field. This stems from Post Office policies and the relatively high cost of teleprocessing in the United Kingdom. Distributed data processing developments in the banking, insurance, and manufacturing sectors have significant potential for U.S. industry. The U.S. Embassy expects the United Kingdom to develop along the same lines as similar U.S.-user groups.

Leading U.K. companies in the mechanical, electrical, hydraulics and pneumatics sectors are basing longer term projections on an exponential rise in U.K. demand for fossil fuels. The coal mining industry is an excellent growth prospect over the next two decades. Mining, combustion and product handling systems for coal extraction use and waste disposal should open up exciting prospects for joint ventures, licensing and other arrangements between U.S. and U.K. firms.

With up to five new platform orders anticipated in 1979-80, suppliers expect an upsurge of orders for related equipment after a comparative lull in 1977. Exploratory activity continues. Demand for maintenance systems for aging equipment is growing. While British Government policies encourage the formation of joint ventures, nevertheless innovative and high-quality U.S. products are welcome—and being purchased.

Imports have expanded

U.K. imports of agricultural machinery and equipment of all kinds have gradually expanded in recent years. The United Kingdom is a leading supply source for the developing world of U.S.-origin parts and engines incorporated into U.K. equipment and reexported.

Current home demand is for medium and sophisticated technology to offset labor shortages and rising costs. Recent government incentives to U.K. farmers should spur sales of U.S. agricultural equipment in 1979 and beyond.

Wide-bodied aircraft are now well-established in the United Kingdom. With the latest formal request to the U.K. government for permission to purchase 20 Boeing 737 aircraft as replacement for their aging Trident 1 and 2 fleet, British Airways, in addition to the independent operators, will continue to be prime purchasers of U.S. aircraft manufacturers.

In the general aviation and avionics sphere a steady upward sales trend is in progress, with U.S. aircraft and equipment in a dominant position.

A decline in demand for steel castings from the general engineering sector and from companies in defense work, and the failure (due to industrial disputes) of key U.K. motor manufacturers to keep foundries informed about their future demand, together with severe price-cutting, have produced depressed production figures for 1977. However, foundries are currently going through a modernization phase, with better management methods being introduced and improvements in technology transfer, and expenditure is forecast at over $700 million during the next four years. Present government grants to stimulate investment by the foundries amount to $190 million. Sales prospects for new capital equipment are therefore more buoyant now than for the past several years.

(section continues on page 22)

COMMERCE UPDATE
ON THE DOMESTIC SCENE

FOUR MORE PARTNER CITIES--Additional cities have been designated to participate in the Commerce/Cities Project aimed at urban economic revitalization. In each, local officials, private business leaders and representatives of Commerce Department agencies meet to analyze city needs and identify appropriate Commerce resources. Commitments are made for a year's plan of action, after which there is a reassessment. Baltimore, Ft. Worth, Long Beach and Portland, Ore., are the new cities involved; Greenville, S.C., Detroit and Hartford were the original participants.

OCEAN MINING NOT HARMFUL--Scientists of Commerce's National Oceanic and Atmospheric Administration have found that industry's first efforts to mine the Pacific floor have not had a serious impact upon marine life. The monitoring took place over several months at a site 15,000 feet under water, southeast of Hawaii. The preliminary verdict included a cautionary note that there could be some chronic long-term, low-level effects not yet identified.

HURRICANE DISASTER AHEAD?--Authorities at Commerce's National Hurricane Center in Miami have noted that while the techniques for forecasting hurricanes are steadily improving, the potential for a major disaster is also increasing. The reason: population concentrations in coastal areas with inadequate evacuation routes. A perfect hurricane forecast could still leave large masses of people trapped, say Center officials.

INSULATION INFOTAG--A new "Infotag" label has been proposed to aid consumers in selecting home insulation. It would provide information on fire-safety ratings, insulation values, material, form and other pertinent characteristics. It is to be used by manufacturers participating in Commerce's new Voluntary Consumer Information Labeling Program. Home insulation is the first product to be labeled in the pilot program started last June.

LOCAL GOVERNMENTS GET HELP--Intergovernmental revenue paid to counties, cities and townships by Federal and state agencies totaled $42.5 billion in fiscal 1976-'77, a 9 percent increase over the previous year, according to the Census Bureau. This continues the long-term trend of increasing grants-in-aid and shared revenue received by local governments.

OLYMPIC GAMES GRANT--A $4.5 million grant to complete the competitive facilities for the 1980 Winter Olympic Games at Lake Placid, N.Y., has been made by Commerce Department's Economic Development Administration. In March 1977 a $30.2 million EDA grant was made for spectator facilities.

PATTERN OF AIR POLLUTION--A city's evening commuter rush hour begins a chemical chain of events leading to formation of a veil of pollution when the sun rises next day. Or, in more technical terms used by National Oceanic and Atmospheric Administration scientists studying Denver's "Brown Cloud," nitric oxide from the cars is slowly oxidized in the stable nighttime atmosphere into nitrogen dioxide. Then the first sunlight breaks up the nitrogen dioxide molecules to accelerate the buildup of oxidants and particulates.

GAINS BY MINORITY INVESTMENT COMPANIES--Minority enterprise small business investment companies (MESBICs) recorded 439 financing transactions for $22.6 million in 1977, up substantially over 1976. James Marx, of Commerce's Office of Minority Business Enterprise (OMBE), noted that in contrast to early MESBIC activity "today we have stronger MESBICs and better deals to invest in." New MESBICs are developed by OMBE to provide debt and equity capital to minority companies and are regulated by the Small Business Administration.

TASK FORCE ON PRODUCT LIABILITY--A Task Force on Product Liability and Accident Compensation has been established in the Commerce Department, chaired by Prof. Victor E. Schwartz, on leave from the University of Cincinnati Law School. Among other initiatives, it will analyze and prepare legislative proposals. Commerce was the lead agency in a product liability task force that submitted a final report last November after 18 months of study.

INDUSTRY REPORTING DUTIES SLASHED--Carrying out President Carter's directive to reduce public reporting burdens, Commerce's Maritime Administration has eliminated nine of the reports it requires from the maritime industry and simplified 11 others. This reduces the overall reporting burden of the industry by 60 percent.

Job Data Show Growing, Changing Role For Women In U.S. Economy

This article was written by Chief Economist Courtenay Slater in collaboration with Staff Economist Joseph G. Carson.

Dr. Slater

Of the six million workers added to the U.S. economy between 1975 and 1977, more than half were women. During this period women workers made noticeable inroads into some traditionally male occupations. Based on annual averages, about two-thirds of the increase in female employment was in white-collar jobs, about one-fifth in blue-collar jobs, and the remainder in service occupations. By contrast, most of the gain in male employment was in blue-collar jobs.

Women held about 43 percent of professional and technical jobs in 1977. A very large proportion of these jobs were in teaching and nursing. However, sizable gains have been made in such traditionally male-dominated jobs as accountants, engineering and science technicians, and engineers. In 1977, about 16 percent of women workers were professionals or technicians compared with 15 percent of the men.

Women made impressive gains in managerial and administrative positions. The number of women managers increased by 25 percent from 1975 to 1977. The majority of these women managers were employed as bank officials or financial managers, restaurant managers and sales department heads. Most of the administrative positions were located in schools, mainly elementary and secondary schools.

The largest employment gains, however, were in the sales and clerical jobs fields in which women workers traditionally have been concentrated. The largest numerical gains were in such traditional female occupations as secretaries, bookkeepers, receptionists, office machine operators, and bank tellers. Women also made gains as real estate agents and brokers and as sales representatives at the wholesale trade level.

In the blue-collar occupations women's advances totalled about one-third of men's job gains. These female workers were concentrated in occupations in which a large number of women were already employed (e.g., assemblers, textile operators, bus drivers, and printers). The number of women in craft occupations grew only slightly. In the service industries, women's gains were largely centered in the food retailing area.

As employment of women has grown, record numbers of women have entered the labor force. The trend is evident for women in almost all age groups. Since 1970 the largest rise in participation has taken place among women aged 25-34. These women in the prime childbearing age group are entering the labor force regardless of family status. Factors underlying this increase in labor force participation include the drop in fertility rates, women's rising ambitions for career advancement, greatly increased interest in working despite the presence of young children in the family, and higher divorce and separation rates.

Emphasis on careers

Labor force participation rates for young women of ages 16 to 24 also have advanced considerably since the start of the decade. This trend has been accompanied by an increase in the average age at marriage. Higher levels of education, greater prevalence among young women of a strong commitment to a career, and changing role perceptions have provided an impetus for young women to join and remain in the workforce.

Labor force participation rates among women in their middle years (ages 35-54) have risen since 1970, with the larger gains among women at the younger end of this age group. This is in contrast to the 1950's and early 1960's when the larger gains were among women in the 45-54 age group. This development was in part a carry-over effect of the work experience these women obtained during the war. Since the late 1960's, the rise in labor force participation has slowed for these women, but accelerated for women in the 35-44 age group, who have sought work outside the home as their children have reached school age.

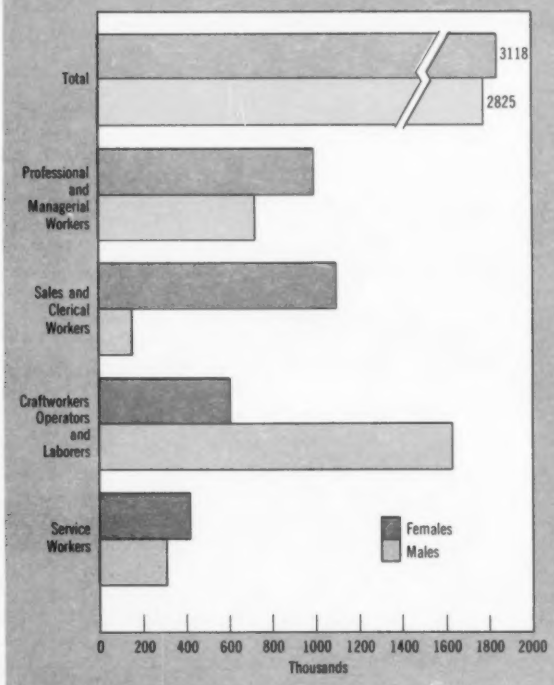
Participation rates for women 55 and over have been declining since 1970; prior to 1970 the trend was a gradual increase in their workforce activity. This drop in older women's participation rates has occurred largely among women 65 and over, reflecting major improvements in public and private pension plans. For women 55 to 62 (usually the female retirement age) marital status has a major influence on whether to remain in the workforce or retire. After age 55, married women and widows have lower participation rates than single women.

A major factor determining the types of occupations available to persons is their level of educational attainment. The number of women of ages 14 to 34 enrolled in college has increased by over 60 percent since 1970. There still were fewer women than men attending college in 1977, although the ratio has narrowed significantly from 0.68 in 1970 to 0.90 in 1977. However, among persons of traditional college age (18 to 21) the number of women currently enrolled in college just about equalled the number of men for the first time in 1977.

The proportion of women who have completed college and entered the labor force also has grown over the past seven years. About 60 percent of women college graduates were in the labor force in 1970; by 1977 this proportion had risen to nearly two-thirds. Therefore, the employment gains by women reflect both the higher levels of education and the higher labor force participation by women who have graduated from college.

Employment and occupational gains by women may be expected to continue. Record numbers of women are entering college, and a large proportion of these women are entering the workforce after graduation. Changing attitudes about what occupations are appropriate for each sex, buttressed by Federal legislation mandating equal employment opportunities for men and women, should enhance further advancement by women in the labor market. Despite recent progress, however, the vast majority of working women continue to be employed in traditionally "female" occupations, and dramatic earnings differentials between men and women persist. The median weekly earning of full-time women workers was $156 in 1977, compared to $253 for men.

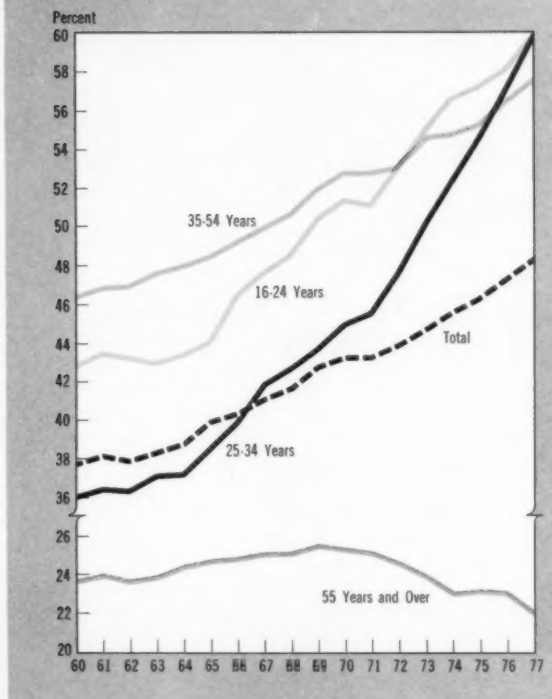
Nonfarm Employment Gains by Sex and Occupation 1975 to 1977



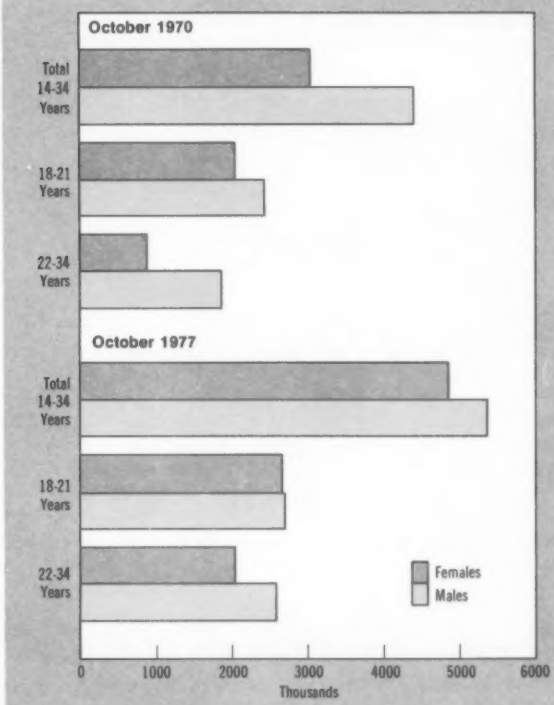
Nonfarm Employment Gains by Women in Selected Occupations 1975 to 1977

	Gains in Thousands	Percent of Jobs Filled by Women	
		1975	1977
Total	3118	39.6	40.5
Professional and Technical	569	41.3	42.6
Registered Nurses	121	97.0	96.7
Accountants	47	24.6	27.5
Health Technologists and Technicians	43	72.3	71.4
Engineering and Science Technicians	27	11.8	14.9
Engineers	22	1.1	2.7
Social Workers	20	60.8	61.2
Managers and Administrators, Except Farm	422	19.4	22.3
School Administrators	30	28.1	34.0
Bank Officials and Financial Managers	26	23.6	27.3
Restaurant, Cafeteria, and Bar Managers	23	33.3	34.7
Sales Managers and Department Heads	20	19.0	20.5
Sales Workers	155	42.5	43.3
Real Estate Agents and Brokers	54	40.1	43.8
Sales Representatives	31	6.9	9.2
Clerical Workers	942	77.8	78.9
Secretaries	174	99.1	99.1
Bookkeepers	70	87.8	90.0
Receptionists	69	96.7	96.8
Office Machine Operators	64	69.5	73.8
Bank Tellers	48	91.1	90.0
Craft Workers	98	4.6	5.0
Printing Craft Workers	21	17.6	22.4
Operatives	449	30.2	31.3
Assemblers	67	49.7	50.3
Textile Operatives	61	56.3	59.4
Busdrivers	25	37.7	42.2
Service Workers	421	62.3	62.0
Food Service Workers	272	69.6	68.5

Female Labor Force Participation Rates 1960 to 1977



College Enrollment by Sex and Age 1970 and 1977



INDICATORS IN GERMANY POINT TO IMPROVEMENT IN ECONOMIC SITUATION

The German economy has had only one moderately strong growth quarter to its credit since the first quarter of 1977. A 2 percent spurt in industrial production in the last quarter of 1977 boosted overall economic growth in that quarter by 1.5 percent over the third quarter and allowed the year to close out on a relatively optimistic note. Growth for the year was nonetheless a disappointing 2.4 percent, less than half of the government's projected rate of 5 percent, according to the U.S. Embassy in Bonn.

In retrospect, it is clear that growth projections were posited on rather unrealistic assumptions. Export volume in 1977 rose by only about half of the 8-10 percent rate which had been projected. This estimate had in turn been based on a vigorous rate of world trade growth which did not materialize and a continuing expansion of Germany's share in export markets. Moreover, the public sector's contribution and private investment fell well short of expectations. Also contributing to the economic slowdown was the fiscal drag arising out of unexpectedly high tax receipts.

The humdrum pace of the economy permitted no reductions in the, by German standards, unusually high unemployment rate which has been fluctuating at about a 4.5 percent rate since 1976. In fact, only because of a stagnant working age population and of some decrease in the participation rate has it been possible to keep unemployment from rising.

TRADE TALKS IN GERMANY—*Jim Sullivan, director of the State of Missouri's Department of Consumer Affairs and Licensing, discusses international trade with Mayor Bruno Recht of Duesseldorf during Missouri trade mission last fall to five European economic centers. During the eight-day mission, Missouri officially opened a trade office in Duesseldorf.*

The fairly impressive economic upswing at the end of 1977 generated considerable optimism that the economy was moving into a phase of self-sustaining growth. Tangible albeit modest fiscal stimulus was expected to provide additional lift to an economy on its way up. Federal government expenditures were programmed to rise by over 10 percent in 1978; personal income taxes had been reduced and business depreciation write-offs liberalized to boost consumer and investor demands. The scheduled 2 percent increase in the value added tax as of Jan. 1 was halved.

Another indicator of better times ahead was the very strong rise in industrial orders during the period July-December 1977. To some extent the strength of this indicator was misleading as it included large military orders which should have been discounted in order to obtain a more accurate reading. The strength of export orders may also have been artificially inflated by an expected further appreciation of the mark. These confidence boosting factors were, to be sure, offset to some extent by anxieties about the impact of the real appreciation of the mark on future exports, by rather colorless prospects for world trade, and by apprehensions about the then upcoming wage negotiations.

Wage settlements exceed forecast

The Council of Economic Experts had based its November forecast of 3.5 percent overall growth for 1978 in part on an expected rise of 5.5 percent in hourly labor costs. (Indeed the Council had recommended more modest wage settlements as necessary for any expansion of employment in 1978.) Negotiations involving the largest wage contracts have now been concluded. Although wage increases appear on the average to be somewhat lower than in 1977, the average increase will probably be slightly in excess of 6 percent. This does not of course include increases in wage costs to employers arising out of job security guarantees against technological unemployment.

The very rapid pace of technological innovation in certain branches of German industry has given rise to an increasing concern about labor displacement. The slow rate of capital-widening (job creation) type investments in recent years has aggrevated these fears. Job security was, then, an important issue in this year's bargaining in several industries. Surprisingly, and despite all the publicity given to the issue by labor leadership, management appears not to have conceded very much, with the notable exception of the printing industry. The reason may be the unions' still as yet greater concern for rapidly rising wages, which can only come about through productivity increases, than for the possibility of more unemployment.

Wage negotiations in 1978 were both rather more protracted and more contentious than in other recent years. Some observers have attributed the asperity which has crept into labor/management relations to management's mid-1977 challenge to the constitutionality of *Mitbestimmung* (codetermination)—labor's participation in the employer's formulation of business policy. As a result of this challenge (still being adjudicated), labor in retaliation withdrew from the Concerted Action Program (a council of business, labor, central bank, government and independent economic spokesmen which in biannual meetings seeks to attain a consensus on macroeconomic issues). Proposals have been put forward for a smaller scale and less formal method for reaching consensus. Nothing, however, is likely to be decided until the constitutionality of the codetermination law is determined.

German management/labor relations remain relatively good despite recent friction and rancor vented in public by both sides. In recent years labor's share of output had increased steadily. So long as output was expanding rapidly and profits stayed relatively high, relative as well as absolute gains for labor could be accommodated without excessive friction. With slower growth in prospect distributive shares become a more important issue. There nonetheless exists a reservoir of cooperation and moderate dealings which should ease the way toward institutional arrangements conducive to labor/management harmony.

The discomfiture which German policymakers and much of the German public feel about the torpid pace of economic expansion has been offset to some extent by steady progress against inflation. The consumer price index rose by only 3.9 percent in 1977, among industrialized countries second only to Switzerland. Prospects are bright for still more price moderation in 1978, perhaps to only barely more than 3 percent for the year.

Price moderation has come about despite a vigorous rate of monetary expansion (still somewhat higher in 1977 than in immediately preceding years) which has meant a steady fall in the income velocity of money circulation. Aiding prudent demand management policies in the battle against inflation have been improvements in the terms of trade and the pressure on domestic prices exerted by (in mark terms) cheaper imports.

Mark appreciation, wage increases in excess of productivity gains, and excess capacity have exerted downward pressure on profits for some time. Strong growth, moderate wage settlements, and more favorable tax treatment of capital had allowed profit margins to expand toward the historical average in 1976. In 1977, real

profits of business fell and gains in 1978 may be only modest.

Businessmen and economic conservatives blame low rates of profitability for the sluggish pace of investment. In 1977 investment in equipment was at about the same level as six years earlier and investment in construction was significantly lower.

An alternative explanation offered by labor and Keynesian economists is insufficent final demand. Capacity utilization rates being well below normal or historical levels, there is correspondingly less need for new investment—except for such fast growing industries as autos which have been setting new sales records. Profits have been high where spare capacity has been scarce.

The question of whether, under present circumstances, a higher rate of profitability would induce a higher volume of investment cannot be verified empirically. The absence of any consensus on this politically delicate issue also constrains the flexibility of policy makers for stimulating stagnant private investment.

Balance of payments strong

Germany's 1977 trade surplus at DM 38.4 billion and current account surplus at DM 8.7 billion were at about the same level as in the previous year. Both may have been swelled in late 1977 as foreign importers attempted to preempt a further appreciation of the mark. Most forecasts see a stronger growth in imports of goods and services in 1978 as foreign goods have been made cheaper by a real appreciation of the mark. It should have some braking effect on export expansion although demand for German goods has in the past been relatively inelastic to price changes. Because of improved terms of trade, the current account balance is unlikely to decrease even should imports expand much more rapidly than exports.

As noted in the foregoing, the fourth quarter upswing of the economy did not carry over into the first quarter of the new year. Exchange rate uncertainties probably had a depressing effect on domestic orders; unusually bad weather in February slowed construction; foreign expectations of a further appreciation of the mark may have anticipated output which otherwise might have taken place subsequently. Strikes in the metal industry had some impact on March industrial production although the bulk of the strikes was felt in April.

There are several factors which should tend to buoy investor confidence and to increase production directly in the months ahead. Exchange rates have been noticeably more stable since the March 13 joint U.S./German statement announcing measures to counter disorderly conditions in exchange markets. A convergence of growth rates should also tend to reduce international market uncertainties. The French election is now history. On the other hand, foreign demand for German goods is unlikely to accelerate in 1978.

Domestic circumstances should also be more favorable to growth. Income tax cuts at the end of 1977 should promote a higher level of consumption and business investment spending. Federal government outlays are programmed to expand by about DM 18 billion and state and local governments are expected to raise their expenditures by a similar proportion. Interest rates have reached approximately their lowest rates since World War II; this is having a positive effect on construction and should provide an incentive to any contemplated long-term investment. The one percentage point rise in the value added tax and measures undertaken to reduce the deficit in the social security system will have some counterbalancing impact.

Most economic forecasters see real output, in the absence of any change in the economic environment, expanding by only 2-3 percent in 1978. The April forecast of the Economic Institutes placed the overall output rise for the year at 2.5 percent, a one-half percentage point decrease from its last six-month forecast. This downward revision was brought about by more pessimistic assumptions about German exports.

The underlying strengths of the German economy are too well known to need repeating here. As observers of the German economic scene realize keenly, German economic expansion has been closely attuned with the development of export opportunities—more generally with the expansion of world trade, more specifically with the consolidation of the European Economic Community.

It is debatable whether future German economic growth can be export-led to the same degree as in the past. Trade with Third World and Socialist countries should expand rapidly although investment constraints may hold down the rate of trade growth with those countries. Expansion and further consolidation of the European Community will help but are not likely to maintain the brisk pace of the past.

Many observers feel that if Germany is to have rapid economic growth, the home market will have to be the dynamic element. Psychology, perhaps some degree of goods satiation, and institutional factors, however, stand in the way of homeled growth. Personal savings ratios appear to be chronically high; there are parliamentary and electoral barriers to expanding the public debt; many fear more rapid growth would be at the expense of the environment. There is, hence, a strong disposition to gear the German economy to new international economic trends rather than to assert a more independent course. At the same time, however, Germany's work force (though not its population) will grow rapidly in the years between 1979 and 1985 and jobs will have to be found. Labor seems more and more inclined toward distributing existing jobs among a larger workforce (shorter working hours); business would prefer the creation of new jobs through new investments induced by a higher rate of return; other observers prefer to raise public employment. A new consensus on economic policies for changing economic circumstances appears as yet still distant.

Germany's imports are expected to expand by about 6 percent in 1978, a rather higher rate than in 1977. U.S. exporters should be better positioned for sales in the German market as a result of exchange rate movement. Through May 9 the mark had appreciated against the dollar by more than 20 percent from the average rate for 1976. The competitive edge of U.S. goods and services should also be keener in third markets in which Germany has a significant share of the market.

Investment flow favors U.S.

In 1977 Germany's investments in the United States outpaced U.S. investments in Germany for the third year in a row. During 1977 German investments totaled DM 1,339 million while U.S. flows to Germany summed to DM 1,156 million. Because the balance in earlier years was heavily in the direction of Germany, the overall U.S. investment position remains much larger.

Mark appreciation against the dollar has certainly influenced the pace of German investment in the United States, albeit to an unknown extent. Perhaps equally important has been the shift in wage costs. For some time German labor has been more expensive than its American counterpart. Other German investments are being made in order to maintain market shares. The trend toward an even larger German investment stake in the United States seems likely to continue.

Germany, which after the United States, is the world's second largest import market for finished manufactured goods, imported in 1977 manufactured goods valued at $51.3 billion. U.S. sales of finished manufactures in the German market amounted to $4.0 billion, an increase of 15 percent over 1976. This increase, however, was not sufficient to maintain the U.S. market share, which declined slightly from 8.1 percent in 1976 to 7.9 percent in 1977. The United States was the fifth largest supplier of this product category after France ($8.4 billion), Italy ($6.9 billion), Belgium-Luxembourg ($6.0 billion) and the Netherlands ($4.9 billion).

The largest commodity group of finished manufactures was machinery, which at $1,053 million exceeded 1976 levels by 16 percent. However, as German imports from other countries expanded faster, the U.S. share of the German import market declined slightly from 16.8 percent in 1976

to 16.6 percent in 1977. U.S. sales of office machines expanded by 13 percent to $442 million, thus accounting for 42 percent of all U.S. machinery sales. With 28.8 percent the U.S. market share for office machines was still remarkable, but it was slightly less than in 1976, when it stood at 29.5 percent. Increases in dollar values and U.S. market shares were registered for paper and printing machinery, power engines, pumps and compressors, leather and textile machinery and agricultural machinery.

With $847 million, chemicals were again the second largest commodity group in U.S. exports of finished manufactures. Pharmaceuticals recorded the best performance, increasing by 29 percent to $90 million. This resulted also in an improved U.S. market share, which came to 9.6 percent compared with 9.2 percent in 1976. The other major commodity groups of that product category—photochemicals, plastics and dyes—although registering increases in dollar values, could not maintain their market shares. On balance, the U.S. share of the German chemical import market declined from 12.2 percent in 1976 to 11.2 percent in 1977.

Electrical equipment, the next largest commodity group, exceeded 1976 levels by 16 percent and reached $749 million. The U.S. market share was 12.4 percent, compared with 13.1 percent in 1976. Despite an increase in U.S sales of aircraft by 13 percent to $411 million, the U.S. market share declined further, from 34.2 percent in 1976 to 30.0 percent in 1977. The major reason for this development was the sharp increase of German imports from France, which jumped by 50 percent to $680 million.

Reflecting the U.S. technological lead, U.S. sales of optical and precision instruments were relatively buoyant, expanding by 18 percent to $206 million. This resulted in a larger U.S. market share, which improved from 16.4 percent in 1976 to 16.7 percent in 1977.

The sharp increase in U.S. sales of automobiles suggests that the depreciation of the dollar has put U.S. automobiles in a favorable competitive position. At $137 million, German imports of automobiles from the United States more than doubled in a year, and the U.S. market share improved from 1.5 to 2.5 percent in 1977.

Among other commodity groups representing predominantly consumer goods, good U.S. sales were reported for cutlery, tools and ironware, which advanced by 22 percent to $74 million. The U.S. market share also improved, from 4.0 percent in 1976 to 4.2 percent in 1977. U.S. sales of glass, ceramics and china, at $48 million, and nonferrous metal products, at $103 million, advanced by 19 and 18 percent, respectively, but their market shares were slightly less.

MOROCCO PUSHES AHEAD WITH DEVELOPMENT PLANS DESPITE GROWTH SLUMP

Morocco's determination to push ahead with its capital intensive development program in the face of recent economic difficulties is maintaining a favorable outlook for trade between Morocco and the United States, particularly in the longer term, reports U.S. Commercial Attache Ernest T. Greene from his post in Casablanca.

Morocco encountered a sharp downturn in overall growth rates starting in mid-1977, which is likely to affect the commercial as well as other sectors of its economy. Morocco's Gross Domestic Product increased by only about 1 percent in 1977, after a record 10 percent rise the year before.

Among the causes of the slowdown were failure of sales of mining products (particularly phosphates) to increase at the rate hoped for, a poor harvest in 1977, and the costs of continuing hostilities in the Sahara. Exaggerated expectations arising from the unusually high prices of phosphates had led to an upward revision of plan targets in 1975-77. These could not be sustained, and in the last year Morocco has reassessed its goals. Over-optimistic planning was exacerbated by longer term problems which include Morocco's deficiency in food production (which will require the expenditure of foreign exchange to make up for shortfalls in domestic foodgrain production even if 1978 is a good year), its chronic and widening trade deficit, and the decision to fund development programs by accepting a progressively increasing external debt. Yet Morocco is determined, even if it requires accepting a debt service ratio as high as 20-22 percent, to proceed with its ambitious industrialization program.

New plan is readied

Morocco's most recent five-year plan ended in late 1977. The new plan, now subject to reassessment, will reflect a more selective approach to Morocco's industrialization, due in part to the disequilibria mentioned above and the resulting cash squeeze.

Reflecting this squeeze, the banks restricted credit expansion to 3 percent during the first six months of 1978. In general the economy has been subject to belt-tightening. There has been a pronounced effort within the government budget to reduce expenditures and to target more selectively longer range investment programs. As part of this selective development and investment policy, projects not yet begun may be put off.

Although specific details of the new plan are not yet known, Greene expects large projects already under way to be continued to their completion. There is considerable uncertainty as to what new projects will be funded. Many current projects will be carried forward in the 1978 plan, even if work does not proceed on them as rapidly as earlier anticipated.

Some of the projects to be carried over into the new plan are:

Industries: Major projects include completion of a petrochemical complex at Mohammedia; a chemical complex at Safi; Maroc Phosphore I has been completed, and construction of Maroc Phosphore II will begin soon; near-completion of textile complex at Oued-Zem; the Loukkos sugar refinery, to be completed in three months, and completion of a sugar refinery at Mechra-Bel-Ksir, scheduled by the end of 1978; and the third and final phase of the expansion of the SAMIR oil refinery at Mohammedia.

Steel mill complex (SONASID): This project continues to be the subject of much talk, and firm decisions have not yet been made, indicating it is treated as a lower priority project than it was in 1976-77.

Ports: The government continues to emphasize the expansion and development of Morocco's ports. Construction is moving ahead on the nearly completed port of Nador, which will be of considerable importance to the northern part of the country even if the steel mill project is further delayed. Construction has begun on Jorf Lasfar, a new port on the Atlantic to the south of El Jadida, which will include a major chemical complex and phosphate exporting facilities. The area of protected water in Casablanca port should be doubled by the end of the year. Other ports slated for major improvements during the next planning period are Agadir, Tan Tan, Tarfaya, and El Ayoun.

Power plants & dams: New power generation plants at Mohammedia and Kenitra should be completed in 1978. In addition to hydroelectric projects already started, the government anticipates starting work on the Mjara Dam in the north this year. A considerable amount of power will be produced when diversion of the Sebou River into the Idriss I Dam near Fez is completed. The government plans to complete the El Massira Dam on the Oum Er Rbia River.

Agricultural cultivation: Over 540,000 hectares of land are now under irrigation, and the government would like to bring an additional 45,000-50,000 under cultivation each year under the new plan, although this is an ambitious project given the fact that during the previous plan an average of only 20,000 hectares were brought under cultivation each year. The King has publicly committed himself to a target of 1,000,000 hectares under irrigation by the end of the century.

Railway: Parsons-Brinckerhoff-Centec-Maroc, a firm with U.S. participation, is undertaking a detailed engineering study

of a projected new railroad to the south, linking Marrakech with Agadir and El Ayoun. The double tracking of the railroad between Casablanca and Rabat is a virtual certainty. A railroad spur linking the new port of Nador with the existing Fez-Oujda railroad is a possibility but is under debate because trucking steel to the railroad in Oujda may be less costly.

Highways: Many roads are projected to outlying areas, including good roads linking the major urban centers of the former Spanish Sahara with each other and with the north, e.g., El Ayoun and Smara and Boujdour, Tan Tan and Smara, and Tarfaya and El Ayoun. Work will also probably continue on the Casablanca-Rabat expressway, and the beltway around Casablanca will be completed.

Fishing: Interest in expanding the fishing industry, in collaboration with private initiative, led in 1977 to the purchase of some U.S. vessels. Morocco is also purchasing vessels and fishing equipment from several other countries including France, Spain and Italy. A Spanish-Moroccan fishing agreement, concluded in 1977, provides credits for the purchase of a substantial amount of fishing hardware in Spain. Fisheries played an important role in recent economic discussions with the USSR, which are another indication of Morocco's determination to bring assets and foreign expertise to bear in this field.

Housing: There is an estimated shortage of some 600,000 housing units, and the present construction target is about 40,000 units a year. With assistance of the World Bank, a pilot housing project of 12,000 units will be undertaken at Rabat.

Schools: Even in financial stress the government has continued to place high priority on augmenting the educational infrastructure of the country, and the budget continues to include large sums for education. Several thousand classrooms for primary and secondary schools were completed last year, and expansion of Morocco's universities is continuing.

Steady upward trend

Industrial investment has increased steadily in recent years: US$111 million in 1973, $195 million in 1974, $325 million in 1975, $570 million in 1976; considerable growth took place in 1977 (Banque Marocaine du Commerce Exterieur). According to this source gross fixed capital formation increased by more than 20 percent in 1977 over 1976, with particularly rapid expansion of investment in machinery and equipment, construction and building, and public works.

In all of these fields Morocco is interested in doing business with the United States.

The USSR and Morocco recently concluded an agreement for the development of Meskala phosphates that is likely to result in an investment of up to $2 billion in Soviet credits.

Despite continuing efforts to decentralize the economy, and the division of the country into economic zones for that purpose, the Casablanca-Mohammedia area is still the site of most investment. The economic councils to be set up in each of the zones entail further claims on the country's limited resources.

The creation of jobs will continue to be a major concern, especially in view of the high (over 3 percent) annual rate of population increase.

Morocco's total imports increased from $1.07 billion in 1973 to $2.02 billion (1974), $2.3 billion (1975), and $2.6 billion (1976). Greene estimates total imports into Morocco in 1977 at $3.2 billion. Moroccan exports seem to have recovered from a downward trend brought about by the decline in world phosphate prices and demand in 1975 and 1976: exports climbed from $840 million in 1973 to $1.6 billion in 1974, only to fall to $1.4 billion in 1975 and $1.2 billion in 1976. Morocco's 1977 exports were an estimated $1.38 billion. The failure of Morocco's exports to increase more rapidly left it with the highest trade deficit ever in 1977: $1.82 billion, substantially increased from the 1976 deficit of $1.3 billion, which in turn was larger than that of 1975 ($931 million) and 1974 ($318 million).

Morocco's inability to generate sufficient export revenues to cover the commercial deficit is a problem. Morocco has financed its payments deficit through foreign investments (not, however, as much as top-level officials would like), Eurodollar loans (including notably a loan organized by Citibank for $325 million in 1977), European bank loans, aid, Arab credits, remittances from Moroccan workers in Europe and the Middle East, and tourism. Equilibrium is maintained in the balance of payments by workers' remittances, tourism, and, to an increasingly significant extent, reliance on external loans.

A continuing factor in Morocco's ability to obtain financing and loans is the ratio of debt service to exports, which has been —for developing countries—relatively low until recently. In 1976 this ratio was only 9.8 percent. It began to rise substantially in 1977, and is officially expected to reach about 16 percent in 1978. Morocco's external public debt has risen from $2.14 billion in 1976 to $3.3 billion in 1977, and should reach at least $4.1 billion by the end of 1978.

U.S.-Moroccan Trade Up

Although Moroccan sources show the United States slipping to fourth place among suppliers (behind France, Italy and West Germany), U.S. Census data show that American exports to Morocco rose 25 percent in 1977 to $371.6 million. Major products in this total include wheat, cotton, construction machinery, aircraft and engines and parts, locomotives, trucks, and a broad range of mining equipment. In 1977 Morocco exported an estimated $22.1 million of products to the United States (up from $17 million in 1976), including manganese ore, barium sulphate, handicraft and food products and—for the first time—a major sale of phosphates.

U.S. shows increasing interest

American executives have shown increasing interest in Morocco. In 1977 there was a substantial increase in the number of U.S. officials visiting the Embassy in Rabat and the Consulate General in Casablanca to inquire about various aspects of doing business in Morocco. Morocco's mixed economy together with its substantial and active private sector make it an attractive place in which to do business. Morocco's Foreign Investment Code offers many advantages to would-be investors, including exoneration from customs duties and profit tax holidays. Moroccan law requires that at least 50 percent of the shares of most business enterprises be held by Moroccans, and that Moroccans hold a majority of seats on the board of directors. However, in such high priority sectors as mining, tourism, and manufacture for export, 100 percent foreign ownership is authorized, while foreign firms are still permitted to profit from investment code incentives. With the guidelines to Moroccanization having been clarified by experience over the last three years, and with problems relating to Moroccanization largely behind them, managers are expressing more satisfaction with the outlook for doing business than was the case in 1974 and 1975.

American exporters/investors should, if possible, visit Morocco and not work through an intermediary, and should keep in mind that Moroccans prefer to deal with suppliers on basic contract negotiations. In order to maximize the potential offered by Morocco, U.S. business should pay particular attention to the need of preparing virtually all material in French which is, after Arabic, the second language of Morocco, and is of particular importance in commercial activity.

U.S. firms interested in Morocco should also familiarize themselves with Moroccan goals and procedures; wherever possible, send French-speaking personnel there; and give extra time and attention (more than they would under similar circumstances in the United States) to personal contacts and personal visits. Working in favor of American business is the desire of Moroccans to diversify their sources of supply.

SPAIN WORKS TO CLOSE HUGE TRADE IMBALANCE

With purchases of U.S. goods valued at more than $2 billion annually, Spain ranks as the 16th largest country market for U.S. exports, ahead of Taiwan and just behind Korea and Australia. Harrison B. Sherwood, Assistant Commercial Attache at the U.S. Embassy in Madrid, expects Spanish exports to grow moderately this year, and imports to remain at about the 1976 and '77 levels.

The Spanish economy was flat for most of 1977, particularly in the last quarter. Real growth in Gross Domestic Product was only 1.5 percent and inflation reached 26.4 percent by year's end. Levels of investment were depressed both by market factors and deliberate government attempts to restrict the money supply.

Timely devaluation helped

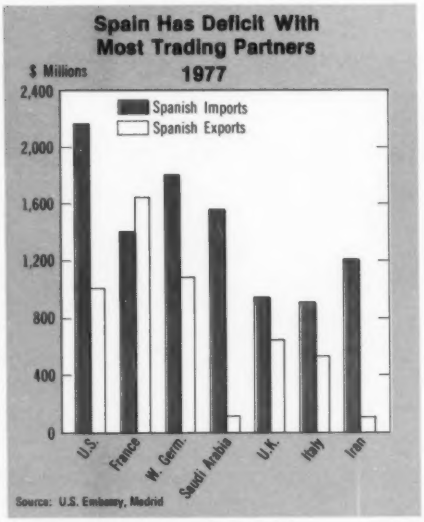
Spain's foreign trade sector felt the effects of a generally depressed world economic situation. Nevertheless, a timely 25 percent devaluation of the Spanish peseta in July helped to spur exports while at the same time (together with flat demand), holding imports to marginal growth. The devaluation medicine, which also boosted tourism, had a healthy effect on the country's payments account, resulting in a current account deficit $1.7 billion less than in 1976. Financing the deficit under these conditions has proved to be fairly easy.

Imports of U.S. products amounted to $2.16 billion in 1977, a drop of some $320 million, producing a reduction in the U.S. share of Spanish imports from 14.2 percent in 1976 to 12.1 percent. Lower U.S. exports of corn, aircraft, coal, steel scrap and earthmoving equipment caused the major part of the drop. On the other hand, soy beans, data processing equipment, scientific instruments, and industrial processing control equipment have continued the growth pattern established in previous years.

In services, U.S. firms appeared to have held their market share, but there were relatively few new projects initiated during the year. Thus, U.S. engineering and construction firms, many of which have branches in Spain, had a relatively modest year.

With the mid-year devaluation, Spanish exports experienced a sharp rise in value which brought them to a total of $10.25 billion for the year, 17.5 percent more than the $8.7 billion registered in 1976. The United States received slightly over a billion dollars worth of Spanish goods.

As part of a program to rationalize the economy and as the country prepares for entry into the European Community, Spain is developing a less restrictive attitude regarding protection of domestic industry. Lowered tariffs, a continuing trend in the liberalization of global quotas, internal tax reforms and a substantial increase in government export credits are all prospects for the near future. At the same time,



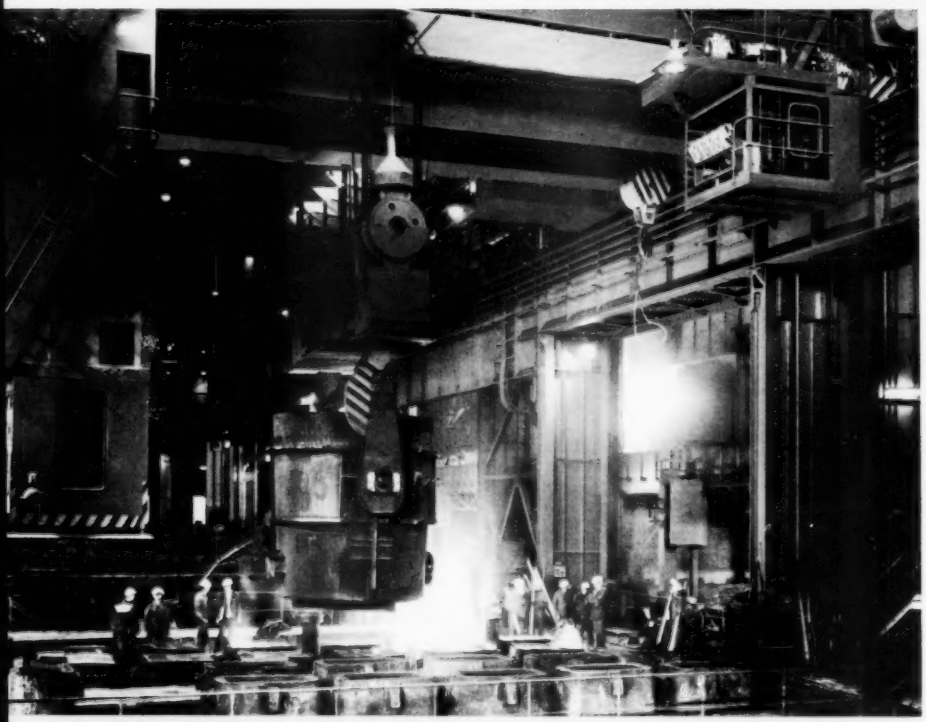
Spain must pay more attention to quality, both for goods intended for the domestic market which will be facing stiffer foreign competition, and for exports, where the country must exploit its lower labor costs and its potentially abundant agricultural sector in order to close its enormous trade imbalance.

While Spain will be providing less protection to import substitution-based industry in the future, it will nevertheless be attempting to reduce its dependence on foreign suppliers of fuels. This implies heavy investment in coal mining machinery, further investment in nuclear facilities, increased oil exploration, and an attempt to further develop its own nuclear fuel supply.

Currently one of the hottest political controversies in the country centers on Spain's energy plan for coming years: whether emphasis will be on the public or private sector, and what fuel sources will receive greatest emphasis. Regardless of how these questions are resolved, there will be sizable expenditures in this area and consequent opportunities for U.S. suppliers.

In the public sector, construction activities are due to pick up over the next 12 months as the Spanish Government addresses the social commitments set forth in the Moncloa Pact of October 1977. This document, which contains pledges on price and wage controls, was signed by the heads of all the political parties represented in the Spanish Parliament. It also states certain goals in public housing, health and education which are to be accomplished in the near future. Other construction activities of the government, highways, harbor improvement, railroads and public buildings, should also begin to move ahead as the government increases activities to stimulate employment.

The Embassy has selected the following sectors for special promotional activities in the coming year: health care, electrical



MAKING STEEL IN SPAIN—*This plant of Empresa Nacional Siderurgica, S.A.* (ENSIDESA) *is located at Verin in the northwest. According to the accompanying report, Spain is developing a less protective attitude toward protection of domestic industry.*

power, telecommunications, mining, laboratory instruments, food processing and packaging, computers and peripherals, tourism (VISIT USA), building and construction, security and safety, and process control instrumentation.

In recent visits to Spain, top officials of the U.S. Export-Import Bank have expressed their desire to branch out from items which carry the bulk of Exim exposure in Spain, namely nuclear power equipment and aircraft, into other industrial products. U.S. exporters should be aware of the availability of Exim financing and guarantees as they seek sales in the Spanish market.

Czechoslovakia's Problems Can Provide Opportunities For American Companies

The economy of Czechoslovakia is beset by problems that present both barriers and opportunities to U.S. exporters, reports the U.S. Embassy in Prague.

Although certain economic indicators reportedly registered gains over the previous year's growth rates, 1977—the second year of the Sixth Five-Year Plan—was not a banner year for the Czechoslovak economy. National income increased 4.5 percent over the 1976 level, and overall industrial output rose 5.7 percent. (The comparable figures for the previous year were 4 and 5.6 percent, respectively.) However, the 1977 gains were evidently below annual plan targets and indicate that, at the end of the current plan in 1980, certain key five-year goals may well not be met.

Some economic indices for 1977 have not been published. Capital investment evidently increased about 5 percent (compared to 5.2 percent in 1976), and the average industrial wage apparently rose approximately 3.1 percent (3.2 percent in 1976). Figures have been published for various major industries, and the results are mixed. Plastics output led the field with a 26.9 percent growth (up from 24 percent in 1976), reflecting the very heavy emphasis which the Sixth Plan places on boosting investment and export capacity in the chemicals industry.

Other industries (electricity, steel, cement) grew at about the same rate as for the previous year. Chemical fibers and paper registered somewhat lower growth rates than in 1976, whereas automobile production actually fell by 11.2 percent (compared to a 2 percent rise in 1976). Output of the vital metallurgy industry, another favored recipient of investment funds, increased 3.9 percent, slightly under the 1976 gain.

The best economic news in 1977 was in agriculture. Farm production rose 7.9 percent after two successive years of negative growth.

Official statements clearly indicate that serious economic problems persist. Transportation, construction and power generation continued to miss plan goals, and excessive consumption of energy and raw materials is a major concern. A chronic manpower shortage still restricts almost all manufacturing and service industries.

Trade deficit with West

Foreign trade is equivalent to almost one-third of Czechoslovak national income, reflecting its crucial importance to the entire economy. As a resource-poor, highly industrialized country, Czechoslovakia has found it must increase its exports continually just to buy the imports it needs to keep its industries running. Last year brought rather disappointing results, as overall trade both with other Communist countries and with the West registered deficits.

However, according to official figures, exports to the West rose 16.5 percent compared to only 1.4 percent in 1976. Imports from the West increased only 10.7 percent, roughly the same as in 1976. Exports to other Communist countries grew 8.8 percent, and imports from them 14.2 percent. (The previous year figures were 16 and 10.5 percent, respectively.)

Czechoslovak exporters continue to face formidable problems because of limited productive capacity in several major industries, poor quality and design of many export items, inability to supply spare parts and weak overseas marketing programs. Protectionist pressures abroad (especially on steel, shoes and textiles) and the tepid economic recovery in the West compound these difficulties.

As usual, official sources in Czechoslovakia and the United States provide differing data on bilateral trade, but they do agree on the major 1977 developments: Czechoslovak exports to the United States registered negligible to modest gains whereas U.S. direct sales to Czechoslovakia fell substantially. Czechoslovak exports remained almost static at $36.6 million, according to U.S. figures, whereas U.S. exports were virtually halved from $148.7 million in 1976 to $73.9 million. (U.S. figures consistently understate our exports because most transshipments and all U.S.-made componentry in equipment produced abroad are not included.)

Czechoslovakia's bumper harvest, which precluded the need for the major grain imports which the 1976 drought necessitated, was the main reason for the drop in U.S. sales. Although the total of manufactured exports decreased (from $22 million to $18.4 million), the share of manufactured goods in total U.S. exports to Czechoslovakia rose from 15 to 25 percent.

Major U.S. items sold in Czechoslovakia include soybean products, hides and skins, tobacco, computers and office machinery. Scientific instrumentation process control equipment, chemicals, communications equipment, materials handling machinery, quality control and measuring equipment and tractors are also significant items. Czechoslovak exports to the United States, which do not enjoy Most-Favored-Nation (MFN) tariff treatment, consist mainly of footwear, glassware, machine tools, textile machinery, steel wire rods, apparel items, hams and hops.

The strained political relations between the United States and Czechoslovakia undoubtedly inhibit more active trade relations. Czechoslovak officials frequently criticize two provisions of the U.S. Trade Act of 1974 as obstacles to normal trade. Section 408 (the "Long-Gravel Amendment") in effect denies Czechoslovakia any benefits of the Act including MFN tariff treatment, until a settlement of the long-standing gold/property claims issue is negotiated on terms acceptable to the U.S. Congress. Section 402 (the "Jackson-Vanik Amendment") ties normalization of U.S. trade relations with Czechoslovakia, the Soviet Union and other countries to their emigration policies.

Western inputs are needed

Despite well-known political and other problems, there are good possibilities for increasing the volume and diversity of U.S. exports to Czechoslovakia. The need for Western goods and technology is enormous as Czechoslovakia seeks to modernize its economy and improve its export position, although the scarcity of hard currency and general reluctance of the authorities to borrow in the West pose obvious constraints. Almost every major economic problem which Czechoslovakia faces —energy conservation, quality improvement and control, labor productivity, industrial restructuring, environmental protection and many others—is now being dealt with by U.S. industry. Moreover, American products, firms, processes and know-how enjoy an overwhelmingly favorable reputation among Czechoslovak importers and end-users.

Competition from other non-Communist suppliers, especially West Germany, other Western European countries, Japan and Canada, is increasingly keen. To meet this competition, U.S. companies should be willing to develop their prospects in the Czechoslovak market over a period of years by establishing ongoing contacts with local foreign trade companies and, ideally, end-users. Czechoslovak buyers prefer to deal with firms and individuals they know well, and sales typically have lengthy gestation periods. Pressures for counter-purchases and other compensation deals are growing because of the unsatisfactory growth of Czechoslovak exports.

Czechoslovakia's economic problems and plans present attractive sales opportunities for U.S. firms. Recently, the government approved a three-year comprehensive "experiment" to improve the manage-

ment, profitability and output quality of 150 participating local enterprises. Among other things, the experiment requires expanded product-testing to assure improved quality and provides for easier access to hard currency for financing imports of machinery and technology that will directly strengthen Czechoslovakia's export performance.

Another program calls for "phasing out" production of less competitive products to release worker and plant capacity for producing more of those items which have brighter export prospects. The latter group includes textile machinery, machine tools, tractors, molding machines, sugar refining equipment and trucks. In addition, the government hopes to replace obsolescent plants and equipment as much as possible, although limited improvements are usually favored over the more costly turn-key projects.

Some $3 billion has been allocated for hard currency imports of capital goods and technology under the Sixth Plan. High technology items such as electronic data processing equipment, process control instrumentation, food processing and packaging machinery, product and materials testing equipment, industrial electronics, and medical-surgical equipment all offer attractive prospects. Exporters, of course, should familiarize themselves with U.S. export control requirements. Modern equipment for the chemical and engineering industries is particularly sought because of the high priority assigned those industries and the limited production of such items within the COMECON nations. U.S. consumer goods generally do not enjoy good sales prospects because of scarce hard currency.

Embassy and Commerce assistance

The American Embassy in Prague, along with Department of Commerce offices in Washington and other U.S. cities, seeks actively to assist U.S. firms in promoting their exports to Czechoslovakia. The Embassy opened a Business Facilitation Center in 1977 and is now equipped to handle small group meetings and serve as a temporary base of operations for visiting U.S. business executives. The Center also has reference materials on U.S. and Czechoslovak firms.

Commerce's Bureau of East-West Trade organizes several technical sales seminars each year which visit Czechoslovakia and other East European countries to stimulate interest in the latest advancements in selected U.S. industries. The Embassy and Commerce Department also cooperate to stage U.S. exhibits and business development offices at the September Brno Engineering Fair, the June INCHEBA Chemical Fair in Bratislava and other local events. Interested U.S. firms should contact the Embassy or the nearest Commerce District Office for more details.

GDR EXPANDS MODESTLY; ECONOMIC POLICY AIMS AT HIGHER PRODUCTIVITY

Despite strains occasioned by its international competitiveness and a continuing shortage of labor, the German Democratic Republic (GDR) economy continues to expand. According to the U.S. Embassy in Berlin, growth in 1977 was 5.2 percent, marginally below the 5.5 percent target set by economic planners for that year. The target for growth of national product set in the 1978 economic plan is 5.2 percent, slightly lower than the rates planned in both 1976 and 1977. The 1978 target for growth of industrial production is 5.7 percent, higher than the 1977 target of 5.1 percent.

Heavily dependent on external sources of fuel and raw materials, the GDR economy continues to find itself under pressure exerted by the rising cost of raw materials provided by suppliers in both east and west. As it has since the revision of COMECON (Council for Mutual Economic Assistance) resource prices in 1975, this fact continues to be a central preoccupation, powerfully influencing the direction and content of GDR economic policy, the main thrust of which is to increase productivity through technological and organizational innovation to meet the rising costs of imported raw materials, raise domestic income, and finance investment.

Plans for development of the economy lay stress on the chemical industry, metalworking, the fuel and energy sector, and electronics and the electrical industry. The latter area is expected to contribute heavily to rationalization and increased efficiency in the economy.

Gross investment is planned to grow in 1978 at a modest 2.1 percent over 1977, including extensive contributions to joint raw-materials production projects in other COMECON countries. As in the past, more than half of total investment is earmarked for reconstruction and rationalization of industrial production facilities. The relatively low rate of investment expansion is a reflection of domestic capacity restraints, a continuing strong support of consumption, and an effort to consolidate and bring to completion investment projects already in process.

In the current situation, characterized by a high degree of inelasticity of labor supply, and limitations imposed by rising external costs on the economy's ability to finance capital expenditure, heavy stress is being laid on increasing productivity by more rational and intensive use of existing plant, and on decreasing specific consumption of raw material and fuel inputs in production through rationalization, innovation, and substitution. A generally obsolescent and overburdened infrastructure represents an additional burden on the economy. Labor supply constraints tend to undermine efforts to extend the productivity of capital plant through shift work. Under these circumstances, the development and introduction of labor-saving technologies is of high priority.

Demographic factors in the current and following five-year plan periods will favor GDR economic growth. It is anticipated that in the period 1976-80 the working-age population will increase by about 500,000, while the population as a whole will decline slightly from its present level of about 16.8 million.

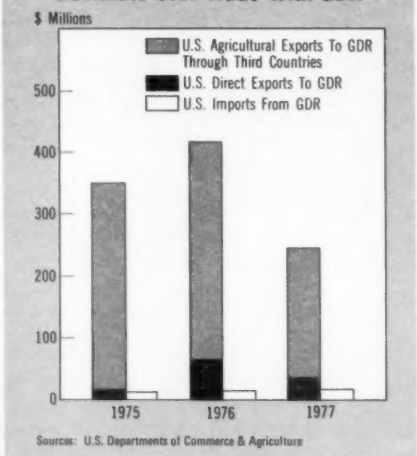
The GDR has adopted modern agricultural methods and increased capital inputs in an attempt to raise production while decreasing labor requirements. Production units—predominantly collective farms—are increasingly specialized in particular branches of crop or animal production.

A well-developed animal products sector is partially dependent on imported feedgrain and feed protein sources. Agricultural planning stresses the further introduction of "industrialized methods of production," including increased mechanization and use of chemicals.

Following the poor crop results during drought-plagued 1976, production of field crops improved substantially in 1977.

Foreign trade accounts for over a quarter of the national income of the country and is crucial to the GDR's ability to support and develop its modern industrialized economy. Approximately two-thirds of this trade is conducted under bilateral arrangements with other Communist countries, particularly the European members of COMECON, with the GDR providing industrial products, especially machinery, in return for imports from Eastern Europe which include a comparatively much higher proportion of primary products, fuels, and raw materials.

Agricultural Transshipments Dominate U.S. Trade With GDR



Sources: U.S. Departments of Commerce & Agriculture

By contrast, the GDR's trade with the industrialized West, dominated by the inner-German trade with the Federal Republic of Germany, involves primarily GDR imports of sophisticated capital equipment, key industrial inputs, some consumer goods, and feedgrain and other raw materials not available elsewhere, in exchange for GDR deliveries of chemicals, industrial and light manufactures, and agricultural raw materials.

Although data published by the GDR are sketchy, information available suggests that the GDR's foreign trade at present is characterized by a strenuous effort to deal with a worrisome trade balance by reducing hard currency imports. A program to increase exports to the West and also to COMECON complements this effort. With respect to COMECON, the GDR feels a strong need to meet high and rising delivery commitments in order to assure steady inflows of raw materials.

GDR data put the increase in foreign trade in 1977 at 7 percent, a modest figure in light of rising prices, growth of the GDR economy, and the high priority placed on expanding exports. An authoritative GDR statement set total trade of the GDR with non-Communist countries in 1977 at approximately $7.5 billion.

Analysis of available data suggests that GDR imports from the industrialized West dropped as much as 9 percent in 1977, apparently reflecting a concerted effort to conserve foreign exchange in a period of balance of payments stringency. The absence of further data precludes a more exact analysis of the GDR's hard-currency balance of trade, which, however, appears to have recorded a deficit of about $900 million in 1977 compared with a deficit of $1.2 billion the year before.

Available data also suggest that GDR imports from its single most important trading partner, the Soviet Union, have exceeded exports by an increasingly wide margin since 1974, before which time the GDR enjoyed a surplus in its trade with the USSR. This situation has contributed in large measure to the sense of urgency attending GDR efforts to achieve a significant expansion of exports.

The GDR publishes no data on exchange reserves and foreign indebtedness. Western analyses, however, estimate GDR hard currency indebtedness at the end of 1977 at approximately $6 billion, exclusive of a $400 million (DM 850 million) overdraft facility with West Germany. The GDR has extensive relations with western banks, including U.S. banks, and participates actively in international banking, borrowing bank-to-bank, as well as by means of general purpose syndications.

Borrowing continues to occupy an important place in the GDR's strategy for bridging the gap between the cost of needed technology and raw material imports and the country's export earnings. In assessing the GDR's hard-currency finances, it is important to take into account significant mark inflows generated by remittances, fees and charges imposed on visitors, and payments made by the West German Government under various bilateral agreements.

FRANCE TO TEXAS ON GERMAN VESSEL—*GDR cargo ship is shown transporting a 452-ton installation for an ethylene plant from Dunkirk, France to Corpus Christi.*

Already a purchaser of significant quantities of U.S. agricultural commodities, in particular coarse grains and soybean meal used for livestock feed, the highly industrialized German Democratic Republic represents a potentially significant market for American manufactured goods, especially equipment and technology needed to secure the continuing rise of productivity in domestic industry. In the consumer field, the GDR imports modest quantities of food items, apparel, and appliances for sale to the public, in certain cases for hard currency.

The GDR has recently stepped up efforts to expand contacts with the U.S. business community, and to interest American firms in supplying production equipment and technology in selected fields, especially on the basis of compensation transactions involving payment by the GDR partly or wholly in the form of output of the plant thus constructed. The current strong preference of the GDR for compensation arrangements is a reflection of continuing foreign exchange scarcity and the relative weakness of GDR marketing capabilities which are, however, the object of concentrated remedial action by the GDR foreign trade apparatus.

Besides its potential as a market for American exports, the GDR has recently extended its role as supplier of basic chemicals to large U.S.-based multinational firms through long-term contracts. Efforts are being made to acquaint potential licensees with GDR technologies of possible interest, as for example, in the extraction and gasification of lignite coal. The GDR is also placing special stress on export expansion in machine tools, textiles, machinery, and polygraphic machinery, besides a number of traditional areas in the consumer and light industrial field, and has recently begun to express an interest in cooperative arrangements with foreign firms in capital development projects in third countries. There is not at present any foreign management or equity investment in the GDR economy.

Through the American Embassy in Berlin and the Bureau of East-West Trade of the U.S. Department of Commerce, the United States supports vigorously the efforts of U.S. firms to expand trade with the GDR. Besides assistance and counsel, this support takes the form of U.S. exhibitions and business development offices at the semi-annual Leipzig Fair, as well as technical sales seminars by U.S. business firms before audiences of qualified GDR specialists.

The formation of a private U.S.-GDR Trade and Economic Council composed of U.S. business firms engaged in trade with the GDR has also contributed to the development of closer business ties. The American group has met twice in joint session with a GDR counterpart council to explore means of expanding trade.

The foreign trade system of the GDR is a monopoly under the direction of the Ministry of Foreign Trade, to which about 40 Foreign Trade Organizations, each specialized along product lines, are subordinate. Detailed information is available in U.S. Department of Commerce Overseas Business Report 75-53, *Trading with the German Democratic Republic.*

India's Growth Above Average Despite Problems In Industry

India's economy in 1977-78 experienced above average growth of about 7 percent because of a record foodgrain harvest of close to 122 million metric tons. The industrial sector, however, continues to be plagued by inadequate consumer demand, power shortages, labor problems, higher costs, and lower profit margins. As a result, industrial production increased by only 4-5 percent last fiscal year. The Janata Government places high priority on development of the agricultural sector and small-scale units and hopes to generate more overall investment in the coming year, but growth in 1978-79 will depend more on the summer (southwest) monsoon, reports the U.S. Embassy in New Delhi.

Wholesale prices in many states have shown a declining trend since September because of a favorable supply situation for most essential consumer items. The average inflation rate last fiscal year was approximately 5 percent. On the other hand, the budgetary positions of the Central and state governments have deteriorated. The 1977-78 budget deficit of the Central Government amounted to over $1 billion (about 6 percent of total expenditures) and is projected to be even higher this year.

India is expected to have a trade deficit of approximately $678 million in 1977-78. Because of a more liberalized import policy, the trade deficit may increase somewhat in the coming year. A continued high level of gross foreign aid disbursements (close to $2 billion per year) and remittances from Indians abroad will cause foreign exchange reserves to grow from $5.8 billion at the end of March 1978 to probably over $7 billion by March 1979.

India's record level of foreign exchange reserves, continuing external assistance and the recent liberalization in the government's industrial licensing and import control regulations offer an improved business climate for U.S. exporters of capital equipment, machinery, operating supplies and technology. Improved Indo-U.S. relations and the diminishing importance of rupee trade agreements are additional contributing factors that should increase the potential for U.S. exports. These combined factors have created a commercial and economic environment that is conducive to increased private and official U.S. trade promotion activities during the coming year.

In 1977 trade between the United States and India totaled $1.56 billion and was almost in balance (about $780 million each way). This movement of goods now represents approximately 12 percent of India's total trade. Non-food exports from the United States to India increased substantially last year. The United States remains India's largest trading partner, but during April-September 1977 India exported more goods to the Soviet Union than to the United States.

U.S.-India trade in 1978 will probably even out at broadly the same level as last year. Major Indian exports to the United States include textiles (cotton and jute), gems and jewelry, marine products, cashews and an increasingly sophisticated range of manufactured and engineering products.

Under India's more liberalized import policy, U.S. exporters of capital equipment will find themselves operating under more advantageous marketing conditions in India than was the case before. Fourteen industrial sectors (fertilizers, basic drugs, newsprint and paper, power generation, distribution and transmission, petroleum exploration and production, petro-chemicals, sugar, cement, professional grade electronic components, effluent treatment and ecological engineering projects, materials handling projects, pesticides and weedicides, and mineral exploration, mining and beneficiation) plus 100 percent export-oriented industries have been given the choice of importing capital equipment from the most competitive overseas source.

As in the past few years, particular sectors offering the most promising prospects for increased U.S. exports to India include mining equipment, petroleum exploration and processing equipment, power generation (thermal and gas) plant and equipment, electronics equipment and peripherals, telecommunication equipment and systems, metal working and finishing products, electronic industry production and test equipment, chemicals and synthetic fibers, specialized printing and graphic arts equipment, and process control instrumentation.

At the end of 1976 U.S. direct investment in India stood at $362 million; it has changed little since. Most U.S. firms in India are in chemicals and allied products, drugs, manufacture of engineering equipment, automobile ancillaries, and in petroleum exploration and prospecting. U.S. investment accounts for about one-quarter of total foreign investment in India. From March 1973 to March 1976 the number of subsidiaries of foreign companies operating in India declined from 195 to 171, while branches of foreign firms went down from 538 to 482, primarily in response to the equity dilution requirements of the Foreign Exchange Regulations Act (FERA) of 1973 which requires foreign firms not engaged in "core" sector industries or in predominantly export-oriented ventures to bring down their foreign equity holdings to a level of 40 percent.

The policy of the Janata Government toward foreign investors and technical collaborations has been clarified in recent months. According to its December 1977 industrial policy statement, the import of foreign technology will be conditioned by the desire "to promote technological self-reliance," with preference being given for the "outright purchase of the best available technology and then adapting such technology to the country's need."

On the issue of foreign equity the policy states that the FERA will be strictly enforced and "as a rule, majority interest in ownership and effective control should be in Indian hands, though government may make exceptions in highly export-oriented and/or sophisticated technology areas." Also, for approved foreign investment there will be "complete freedom" for the remittance of profits, royalties and dividends, as well as the repatriation of capital subject to universally applied regulations.

Because of the government's policy and the continuing burden of administrative controls, private investment from the United States and other foreign countries has been minimal in recent years and is likely to remain so. Nevertheless, India does present selected investment opportunities for U.S. firms. Technical or financial collaboration in certain high-technology industries and in joint ventures for export are welcome.

Collaborative efforts can take advantage of a relatively large and protected market, a varied resource base, a fairly well-developed infrastructure, a competent cadre of management personnel, an extensive pool of skilled and semi-skilled workers, and relatively low wage rates. A presence in India, including tie-ins with Indian companies, also can be of benefit in competing for business in third countries, particularly in the Middle East and Southeast Asia.

Irish Have High Expectations For Another Good Showing

Ireland's economy turned in a very creditable performance in 1977, according to the U.S. Embassy in Dublin.

The real GNP growth rate of over 5 percent exceeded that of any other member of the European Economic Community and expectations for 1978 are high. Leading factors in this resurgence include strong increases in investment, exports and consumer demand. Inflation, though still a problem, fell significantly, with the consumer price index up only 8 percent in the first quarter of 1978 compared to the same period in 1977. The balance of payments has also evolved favorably, with a current account deficit of about £120 million, somewhat below that for 1976. Reserves stood at a healthy £1.2 billion at year's end. The chronically high unemployment rate, however, continues to exceed 9 percent, the highest in the EEC.

The government is attempting to provide a short-term impetus for growth and

job creation through an expansionary fiscal policy and to encourage private investment through a variety of incentives. The plan features ambitious goals: a real growth rate of 7 percent annually for 1978-80; reduction of inflation to 7 percent this year and to 5 percent by 1980; and job creation on an unprecedented scale—25,000 net new jobs annually during 1978-80. A number of key factors essential to the government's program but outside its control will greatly influence the degree to which objectives can be achieved in the medium term: i.e., the willingness and ability of business to act on the basis of the incentives provided; the acceptance of moderate income increases over several years by labor; and, perhaps most important of all, the economic progress of Ireland's EEC partners.

The Lynch Government has emphasized the key role of foreign investment in its plans to create jobs and modernize the economy. Irish support for foreign investment has been consistently strong over the last two decades, and a wide range of investment incentives are offered to attract foreign technology. There has been some concern over the impact of recent labor disruptions on foreign investment and on the government's economic plan in general, and a labor commission will be making proposals on possible improvements in the nation's industrial relations framework.

During 1977 total trade between Ireland and the United States grew by 31 percent to £430 million. U.S. products accounted for 9 percent of total Irish imports for that period, reaching £274 million—up 38 percent from 1976. Major imports from the United States include non-electric machinery; electric machinery and goods; oilseed cake, meal and residues; unmilled grain; chemical elements and compounds; textile yarn and fabrics. Irish exports to the United States in 1977 reached £156 million (up 22 percent) and consisted mostly of manufactured goods, including non-electric machinery, chemical elements and compounds, glassware, cable, transistors and photocells. Procurement of Irish beef for United States Forces in Europe, which is not included in the trade statistics above, reached about £12 million in 1977, the largest Irish beef sales outside the Common Market.

The presence of U.S. banking establishments in Ireland and the availability of Export-Import Bank financing facilitates market penetration by U.S. suppliers. Although the government's "Guaranteed Irish" campaign may work slightly in the short run against U.S. commercial interests, a continuance of current economic trends should create many new sales opportunities in a broad range of areas. In addition, largely due to membership in the EEC, traditional trade patterns once dominated by the United Kingdom are breaking down, and there is a growing sensitivity to product price and quality.

An ambitious industrial development plan implies increasing imports of capital goods, and the government's program to revive the construction sector should stimulate demand for related equipment. Increasing disposable income suggests a greater demand for consumer goods, and recent market response to U.S. imports of this kind has been positive. Large projects which might interest U.S. suppliers include: a new coal-fired power plant for the Shannon River side and a possible nuclear plant; a major revamping of the national telephone system; expansion of the government radio/TV operation; and improvement programs in major ports. In the agricultural sector demand for U.S. feedstuffs is expected to remain strong, and increasing mechanization offers opportunities to provide farm equipment. Increased offshore hydrocarbon exploration (16 to 18 wells will be drilled in 1978) provides service and support opportunities, and other possibilities exist in mineral exploration and development. Government-promoted growth of the tourist sector should contribute to growing demand for related supplies and services.

In the period 1960-77 over 200 manufacturing projects sponsored by U.S. firms began production in Ireland, with related investment in fixed assets of about $500 million (45 percent of the total from all foreign nations). According to U.S. Department of Commerce figures, total U.S. investment in Ireland at year-end 1976 reached almost $900 million. U.S. investors are prominent in areas as diverse as banking, automobile production, electronics and hydrocarbon exploration and development. A key attraction to many U.S. firms is entry for their products to the Common Market—an access which they might not enjoy without production facilities located in Europe. The availability of a reasonably well-educated, English-speaking workforce, moderate wage costs and government-sponsored financial incentives also serve as important attractions.

The Lynch Government has emphasized the key role of foreign investment in its plans to create jobs and modernize the economy. Irish support for foreign investment has been consistently strong, on a non-partisan basis, over the last two decades and over that time a wide range of investment incentives has been established to attract foreign technology and managerial expertise. The Industrial Development Authority, an autonomous state body, administers financial incentives available to industry and provides facilitative assistance in other areas. The primary objective is to attract manufacturing and service industries which are export-oriented with high value-added content and good long-term growth prospects. Industries creating work for existing firms or contributing to the development of satellite industries are preferred.

A particularly important aspect of the incentive program is the tax-free status of export profits. There have been indications that Ireland's EEC partners may prevail upon Dublin to phase out this direct export subsidy before its scheduled termination in 1990. In addition, legislation proposed in the United States to phase out tax deferrals on unrepatriated overseas profits, if passed, might have unfavorable repercussions on investment by U.S. firms. Irish officials indicate that equivalent benefits will be made available to potential investors should any changes in the current program become necessary.

The government is also concerned about the effect which recent labor disruptions might have on potential investors, as well as upon the government's overall economic program. A number of disputes, many of them unofficial actions, have troubled the labor scene since last summer. One intra-union dispute contributed to the closure of a major foreign investment late last year, and extended strikes have disrupted telephone and telex facilities and air passenger and cargo service. A government-organized commission will review the labor scene and propose possible steps to improve industrial relations.

Calendar For World Traders

June 20—Louisville—Kentuckiana World Commerce Council meeting, Holiday Inn Brownsboro Northeast.

June 20-21—College Park, Md.—Barter seminar at the University of Maryland. Speakers from government and industry will discuss all forms of barter. Information: Diane Bush, 301-454-2403.

June 21—White Plains, N.Y.—World Trade Club of Westchester meeting, White Plains Hotel. Hugh M. Hyde, President of Johnston International Publishing Corp., will discuss Overseas Advertising for the American Exporter.

June 22—New Orleans—District Export Council seminar on export financing, Int'l Trade Mart. Contact Commerce District Office.

June 29—Des Moines, Iowa—Deputy Asst. Secretary of Commerce Stanley J. Marcuss will speak at Governors' Conference on Export Expansion.

June 29—Birmingham—Alabama World Trade Assn. meeting, Kahler Plaza. Theme: Trading Opportunities with Chile. Blair Weamer, 205-254-1331.

Worldwide Business Opportunities

International trade specialists in the Department of Commerce and Foreign Service Officers in the U.S. Embassies and Consulates around the world are continually developing specific commercial opportunities through which American companies can find buyers, agents, partners or investors abroad. One of the major means for communicating these opportunities promptly and accurately to the U.S. business community is through the columns of this magazine.

The section that follows presents details about licensing and joint venture proposals, opportunities to sell to foreign enterprises, major construction and expansion projects, and visiting buyers.

Licensing, Investment Abroad

TANZANIA—Seeks joint venture with U.S. firm to set up factory to manufacture **concrete pipes** and possibly other products such as concrete window frames, concrete panels, readymade concrete and concrete blocks. Production would be primarily for domestic market. Details on size and location of plant, on product mix, investment terms, etc., will be negotiated. Interested U.S. firms should write to R. H. Kimambo, Gen. Mgr., Saruji Corp., P.O. Box 4123, Dar Es Salaam. P-78495. OPIC.

0219, 0241—YEMEN ARAB REPUBLIC—Landowner seeks joint venture to establish **dairy farm or ranch** on 1,100 hectares. Land is located in the Tihama coastal region. Valued at $2.5 million, it would be contributed as capital. Turnkey project also of interest. U.S. Emb., P.O. Box 1088, Sana, att'n: Commercial Officer. P-78496. OPIC.

1500, 1600, 1700—CANADA—British Columbia Construction Association has submitted list of 12 local contractors interested in forming joint ventures for **overseas construction projects.** Copies available from Overseas Products & Investment Opportunities Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. P-78505.

2000—GERMANY—Licensing or joint venture arrangement desired to produce **food products.** Currently, company produces paste products. It can also produce dairy products, ice cream, deep frozen foods (meat, poultry, fruits). Has surplus capacity in its five production and packing units which have a monthly output of 1,500-2,000 tons of paste products. Area is over 5,000 sq.m., comprising production and distribution points, workshops and stores. Facilities are modern; company has distribution network throughout West Germany. Established 1932, has 150 employees. Dr. Von Storch, Vereinigte Lebensmittelwerk Elbgau-Rostock GmbH, Friedensallee 98, 2,000 Hamburg 50. Telephone, 040-39-11-61; telex, 02 11853. P-78501.

2011, 2013 — KOREA — Government-financed corporation desires technical assistance to build **meat processing and packing plant.** Planned production capacity, 15 metric tons of sausage and 5 metric tons of ham, bacon and hamburger per day. Estimated cost, $4.6 million. Established 1968, firm has 800 employees and paid-in capital of $4.3 million. It operates cold storage facilities, manufactures ice and meat products, processes mutton, provides refrigerated trucking services, and exports frozen products. Sales in 1977, $16 million. Contact is desired with U.S. meat processors, engineering firms, equipment manufacturers. Yoon-Ha Kim, Pres., Korea Cold Storage, Ltd., CPO Box 1694, Seoul. Telephone, 68-2011/8 or 69-9311/8; cable, KOCOSTORAGE Seoul; telex, KCSC thru K 2397 AAFDC. P-78497. OPIC.

2033—THAILAND—Joint venture partner desired for establishing plant to produce **canned pineapple.** Firm also wants to purchase juice-concentrate-making equipment. U.S. partner would have 10% to 20% equity and contribute marketing expertise. Additional information available from Overseas Products & Investment Opportunities Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. Prasert Leelayoova, Siam Agro-Industry (Pineapple) Co., Ltd., 10th Floor, Boonmitr Bldg., 138 Silom Road, Bangkok 5. P-78504. OPIC.

2499, 2661—SAUDI ARABIA—Seeks joint venture to produce **pressed hardboard or wallboard.** Also interested in establishing plant on turnkey basis. Extent of participation by U.S. firm open to negotiation. Saudi company has necessary resources to carry out project. Moeen Shawaf, Al-Rajehi Development Co. Ltd., P.O. Box 4301, Riyadh. Telex, 20249 NASSER SJ; cable, RAJCOUNSULT; telephone, 65116. P-78473. OPIC.

2511, 2512—BOLIVIA—Firm seeks licensing arrangement to produce **wooden furniture.** Roberto Gisbert, Empresa Maderera Santa Fe Ltda., Casilla 3205, La Paz. P-78498. OPIC.

2819, 2869 — FRANCE — Seeks licensing rights to manufacture **reagents and high purity grades of inorganic and organic chemicals.** Established 1948, firm employs 91; annual sales, $4 million, in France and Africa. It manufactures pharmaceuticals for human and veterinary use. Mr. Marciano, Development & Production Mgr., Laboratoire de l'Ozothine, 18 rue d'Arras, 92003 Nanterre. Telex, 611 229F; telephone, 782-2250. P-78474.

2833, 2834—FRANCE—Seeks licenses to manufacture **antibiotics, synthetic, organic and inorganic medicinal chemicals, synthetic vitamins, food grades for animal feed, and pharmaceutical products for veterinary use.** Established 1958, company employs 450; annual sales, $60 million. It manufactures and imports pharmaceuticals, perfumes, flavors and chemicals. Alain Meurice, Commercial Mgr., Oril S.A., 26 Rue Berthollet, 75005 Paris. Telex, 204 445; telephone, 707-5169. P-78475.

3079—FRANCE—Seeks licenses to manufacture **plastic wire netting and extruded plastic wide mesh net.** Established 1956, firm produces these items for agricultural, packaging, filtration industries. Employs 166 people; 1976 sales, $5.2 million. Dominique Vitou, Ass't Gen. Mgr., Nortene, 9-11 Place de l'Europe, B.P. 97, 78140 Velizy Villacoublay. Telex, NELTON 695 254; telephone, 946-9606. P-78476.

3296—YEMAN ARAB REPUBLIC—Seeks contact with U.S. firm for supply of raw materials and equipment for **fiberglass workshop.** Also required are technicians for erection or equipment and training of workers on turnkey basis; if possible, preliminary cost estimate should be included. Interested U.S. firms should contact: U.S. Embassy, P.O. Box 1088, Sana, att'n Commercial Officer. P-78499. OPIC.

3400—DENMARK—Small firm, presently engaged in **machine making/metalworking enterprises** producing internal transportation equipment, proposes to assemble parts made by U.S. manufacturer into product ready for distribution and/or obtain licensing agreement to manufacture products or parts of products for distribution in Europe. Henry Gavnholt, Mng. Dir., H. Gavnholt ApS, Knudlundvej 15, DK-8653 Them. P-78477.

3433—URUGUAY—Established metallurgical firm seeks U.S. technology for manufacture of **solar equipment** for heating of water for residential and industrial use. Interested U.S. firms should contact Alberto Viera Ezcurra, Mgr., Industrial Metalurgicas Nakel S.A., Avda. Gral. Rondeau 1921, Montevideo. Responding U.S. firms are asked to send courtesy copy to U.S. Emb. Uruguay, APO New York 09879, att'n Commercial Section. P-78500.

3442—ITALY—Small-sized, recently established manufacturer, importer, wholesaler of **prefabricated auto-boxes, industrial gates, fireward doors, and other safety and fire-prevention items** mainly for building and construction industry, seeks licensing agreements to produce above and similar products. Company is in process of expanding its industrial plant from 1,000 sq. m. to 6,000 sq. m. Company employs production staff of 30, sales staff of 14 plus 50 agents all over Italy. Bruno Zanotti, Gen. Mgr., Decos S.p.A., Via Paradisi 15, 38100 Trento. Telephone, 0461-84955; telex, 40699 DESCOPA. P-78488.

3452—CHILE—Second largest **iron and steel bolts, nuts, hinges and locks** manufacturer in Chile seeks licensing arrangement and technical assistance to improve its production methods. Firm reports monthly sales of about $150,000 to $200,000. Jorge Lichtenstern, Commercial Mgr., Fabrica de Cerrajeria y Pernos Ferromat S.A., Casilla 5122, Santa Rosa 3672, Santiago. P-78478. OPIC.

3463, 3429—BRAZIL—Distributor of aluminum and small manufacturer of aluminum items utilized in construction of buildings, seeks licensing arrangement for development of following products: **aluminum hardware and readymade products for architectural use; stationary metal products; and solar systems for heating water and solar household systems.** Company has been in operation since 1962, employs 182. Wellington Germano de Queiroz, Mng. Partner, Belmetal Industria e Comercio Ltda., Rua Dr. Moyses Kauffmann 300, Sao Paulo. P-78502. OPIC.

Licensing and investment proposals from foreign firms are listed in these columns. Specific product interests in each proposal are highlighted in bold type to facilitate identification and each proposal is preceded by the appropriate four-digit product number taken from the Standard Industrial Classification (SIC) Manual.

Background information on opportunities abroad and assistance on overseas investments are available from the Overseas Products and Investment Opportunities Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. "P" numbers should be used when responding to any of the specific proposals listed.

WTDR indicates that a World Traders Data Report containing financial and background information on the foreign firm is available for $15 from the Export Information Division, Room 1033, U.S. Department of Commerce, Washington, D.C. 20230. WTDR request forms may be obtained from any Commerce District Office.

OPIC indicates that the country involved is eligible for investment insurance coverage and financing from the Overseas Private Investment Corporation. Information regarding applicable coverage may be obtained from OPIC, Washington, D.C. 20527.

3500 — CANADA — Well established company specializing in **quality plate fabrication, specialty vehicles and hydraulic and electrical control systems** is planning its long range expansion. It seeks licenses to make related products for Canadian, other markets. Company is well positioned in energy and environmental field and currently manufactures for nuclear and thermal power generation, petrochemical, mining, waste and refuse disposal industries. Firm operates modern facilities with 60-70,000 sq. ft. of production space. Employs 200, annual sales over $60 million. Good financial reputation. J. W. Eckart, Mgr. of New Products & Development, Amalgamated Metal Industries Ltd., 2520 Haines Road, Mississauga, Ontario L4Y 1Y6. Telephone, 416-279-1930; telex, 06-961276. P-78493.

3523 — GERMANY — Small manufacturer of apparatus and metal-working machinery (metal-forming machines tools) seeks license to produce **flower pot washing machinery** used in gardening nurseries. Company founded 1970, employs 15. Marketing territory: Germany and other European countries. Mr. Waller, Hans Armbruster Inh. J. Waller, Fr. Preuninger-Str. 4, D-7297 Alpirsbach. Telephone, 07444/2342. WTDR. P-78479.

3530—GERMANY—Seeks cross licensing agreements, exchange of technology with U.S. manufacturers of **flow-through and related storage systems.** German firm's product line encompasses wide variety of steel, iron and metal fabricated products, including materials handling, conveying and storage systems, for use in major industries. Employs 2.500, maintains sales/engineering network throughout Germany and Europe. Exports primarily to EEC and EFTA countries. Eberhard E. Fielitz, Section Mgr., Roechling-Burbach-Weiterverarbeitung GmbH (Profil/Lager), D-6620 Voelklingen. Telephone, 06898-10-34-59; telex, 4429841-5. P-78489.

3536—SWITZERLAND—Seeks license to produce technically advanced **materials handling systems.** Is especially interested in overhead, traveling, one- and two-arm cranes for installation in industrial plants of small to medium size. Firm manufactures and distributes industrial materials handling systems. Has well equipped production facilities. Heinrich Kopp, Altras Hebezeuge & Fordermittel AG, P. O. Box 6048 Horw. P-78480.

3541—GERMANY—Large manufacturer of machine tools is looking for U.S. subsuppliers of **drives, controls, hydraulic and pneumatic parts, lubrication systems,** etc., for incorporation in NC-controlled machines which would be delivered from Germany to U.S. American firm would also have to take over distribution and service. German firm established 1925, employs 950. Thirty percent of its production is exported to USSR. Herr Wanka, Project Eng., Bernhard Steinel GmbH, Rathausstr. 1, D-7220 Villingen-Schwenningen. Telephone, 07720-6901; telex, 0794569. WTDR. P-78482.

3552—FRANCE—Is interested in licenses to manufacture **knitting machines and machines for production of non-woven products, and dryers for lumber and wood industries.** Company produces, distributes textile machines for bleaching, dyeing, finishing and packaging knitted products such as hosiery, socks, panty hose. Also makes special machines for glass, pharmaceutical and building industries. Markets in France and other EEC countries. Employs around 163, annual sales $5 million; good reputation. Daniel Heliot, Pres., Maurice Heliot S.A., Ave. du President Coty, 10600 La Chapelle Saint Luc. Telex, 840 701; telephone, 25-43-09-37. P-78490.

3552 — SENEGAL — Newly formed company plans to establish textile mill southeast of Dakar. Plant will produce yarn and weave and knit cotton and cotton blend fabrics. Estimated value of equipment, $17.8 million. Firms interested in supplying **spinning, weaving, knitting, processing, sewing and related textile equipment** should contact Michael Lyall, Chase International Investment Corp., 1 Chase Manhattan Plaza, New York, N.Y. 10005; or Clement Peez, Maurer Textiles S.A., 3, Rue Du Conseil-General. 1205 Geneva, Switzerland. P-78483. OPIC.

3567—FRANCE—Seeks licenses to manufacture **industrial furnaces.** Firm currently produces industrial, metallurgy and glass furnaces; convertible electric ovens and waste incinerators; furnaces for chemical products, air heaters. Employs 65 and 8 salesmen. Established 1927; good reputation. J. C. Horaist, pres., Fofumi S.A. 12 rue de Milan, 75009 Paris. Telephone: 280-0020 P-78491.

3568, 3621 — SWITZERLAND — Seeks licenses to manufacture products for use within its activity as manufacturer of special industrial production equipment. Interests include: (1) **self-contained compact units (including motor, drives, dies) for metalworking operations such as boring, drilling, cutting and grinding, which will be used in connection with large automated production and machining centers;** (2) **self-contained, compact electric motors for automation of machines in existing manufacturing plants (updating).** Company, member of Brown Bovery group, has substantial position in field of ultrafiltration. Staff numbers between 120 and 150. Firm's general manager plans to attend International Tool Show in September in Chicago. He is interested in meeting with potential U.S. licensors at that time. Andreas Ocskay, Gen. Mgr., Maschinenfabrik Meyer AG, 4707 Deitingen. P-78481.

3599 — FRANCE — Firm seeks licensing rights to manufacture **rotary cylinders and all hydraulic and pneumatic equipment** related to an industrial assembly operation. Established 1972, employs 112 people and 10 salesmen. Guy Pachot, Commercial Mgr., Societe d'Exploitation LECQ, France S.A., 486 Rue du Faubourg D'Arras, 59500 Douai Cedex; telephone, 20-88-68-40. P-78503.

3612—GERMANY—Medium sized manufacturer of **transformers** seeks cross licensing agreements, exchange of technology. Is interested in granting licenses for its advanced assembly and testing methods used in production of ballasts for fluorescent lamps and discharge lamp ignition systems. Firm operates two production plants, employs 750. Herr Larws, May & Christie GmbH, Postfach 120, D-6370 Oberursel. P-78487.

3613 — INDIA — Punjab State Industrial Development Corporation (PSIDC) is in-

Important Notice

Most member countries of the League of Arab States employ a secondary boycott against foreign firms which undertake certain specific types of business relationships with the State of Israel. The Commerce Department will not disseminate nor make available for inspection any tenders or trade opportunity documents which contain conditions intended to support such boycotts, or which are based on documents known to contain such provisions. Trade or investment opportunities published herein are not presently known to be subject to such conditions. However, it is possible that U.S. firms responding to opportunities from Arab countries may be asked at some stage of a transaction to participate in an Arab boycott-related restrictive trade practice as defined in the Department's Export Administration Regulations (15 CFR, Part 369 et. seq.).

Firms are reminded that it is the policy of the United States (a) to oppose restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries friendly to the United States or against any United States person, and (b) to encourage and, in specified cases, to require United States persons engaged in the export of articles, materials, supplies, or information to refuse to take actions, including furnishing information or entering into or implementing agreements, which have the effect of furthering or supporting such restrictive trade practices or boycotts. Violators of U.S. anti-boycott law are subject to severe penalties including fine, imprisonment and revocation of export license privileges.

Firms are further reminded that U.S. concerns receiving requests to participate in a restrictive trade practice or boycott must report such request to the Department of Commerce in accordance with Section 369.6 of the above-cited regulations.

terested in licensing agreement to produce **miniature circuit breakers.** Specifications are 220/380 v., current rating 0.5 a. to 32 a., and ultimate current breaking capacity preferably 6 ka. to 9 ka. although 3 ka. to 6 ka. would be acceptable. Organization has approval to produce one million poles per year. Subassemblies, components and capital machinery can be imported. PSIDC is prepared to pay lump sum fee plus royalties based on sales. It is also willing to consider agency arrangement with American licensor for exports to third countries. Dr. Naresh K. Gupta, Punjab State Industrial Development Corporation, S.C.O. 54-56, Chandigarh. Telex, PSIDC 237-CH; telephone, 21821; cable, PUNCORP. Further information available from Overseas Products & Investment Opportunities Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. P-78484. OPIC.

3679—ARGENTINA — Government-owned electric company is interested in purchasing **electronic devices for use in extermination of rats.** Companies interested in supplying this equipment should write: Sr. Jorge Sanchez Ruda, Departamento de Higiene y Seguridad de Subestaciones, Servicios Electricos del Gran Buenos Aires—SEGBA, Paseo Colon 717, 5° Piso, Of. 504, 1063 Buenos Aires. P-78494.

3679 — INDIA — Punjab State Industrial Development Corporation (PSIDC) seeks license to assemble **ferrite core memory stacks.** Agency has received approval to assemble 100 million ferrite cores per year. Would import cores from U.S. licensor. Technical know-how fees are negotiable. Dr. Naresh K. Gupta, Punjab State Industrial Development Corporation, S.C.O. 54-56, Chandigarh. Telex, PSIDC 237-CH; telephone, 21821; cable, PUNCORP. P-78485. OPIC.

3743, 3312 — ITALY — Large firm seeks licensing agreements with U.S. companies for construction of surburban **computer trains and other highly advanced railway equipment,** and construction of highly advanced **plant components for iron-metallurgy factories.** Firm presently is engaged in production of metal structures, pig iron casting and construction of railway trucks. It operates four sizable factories in Northern Italy and Tuscany, with total of about 1,000 employees. Ing. Marcello Bozza, Director of Railway Materials Division, FERVET, S.p.A., Via Divisione Tridentina 1, Bergamo. Telephone, 035-235666; telex, 25237 FERVET. P-78492.

3811—INDIA—Seek newly developed technology, not based on lyophilization, for **drying biological materials such as blood and plasma.** Would like to be contacted by firms interested in selling **technology for production of bovine blood proteins, diagnostic agents, immunological products and similar laboratory items.** Firm is small industrial, medical and immunological laboratory. Dr. Amil R. Mehta, Proprietor, Amil Laboratories, Sharada, Opp. Datt Mandir, Kharivav Road, Baroda 390 001. P-78506. OPIC.

3825 — SYRIA — Seeks to represent U.S. manufacturers of electronic and electrical equipment for use in **electronics teaching laboratory.** Equipment would be purchased by Syrian Government agency for new laboratory. Partial listing of equipment includes transformers, rheostats, process control simulators, frequency meters, logic circuits, voltmeters, power supplies, oscilloscopes, digital multimeters, spectrum analyzers, distortion meters, pulse generators and related testing and measuring equipment. Interested U.S. firms may wish to send catalogs and technical information to Salim Touma, Remeca Co., P.O. Box 3127, Damascus. Telex: 11321. Further details available from Overseas Products & Investment Opportunities Staff, Office of Export Development, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. P-78486. OPIC.

Licensing In U.S.

For additional information on these opportunities to manufacture foreign firms' products in the United States under a joint venture or licensing agreement, write to the Domestic Investment Services Staff, Bureau of Export Development, Room 4020, U.S. Department of Commerce, Washington, D.C. 20230 (202-377-5361), referring to the appropriate file number.

Joint venture

GERMANY — Piping system, including patented multiple turnhead distributors, two way valves, flow and outlet gates and pipe connectors. Firm is prepared to invest up to $1 million in joint venture with U.S. manufacturer. Firm's products are currently sold to grain and feed millers, other food processors, the chemical, pharmaceutical and plastics processing industries and dust control air conditioning industry. Heinrich A. E. Jacob, Fr. Jacob Soehne Rohrwerk, Portastr. 91, D-4952 Porta Westfalica. File 3935.

Joint venture/licensing

FRANCE—Wood fir rotisserie. Consisting of central brazier, four vertical spits, each driven by independent motor revolving at 2 rpm. Includes smoke evacuation pipe, hood, safety glass and doors, ventilation and air intake, dripping pan, protecting casing and glass-hood supports. Firm seeks U.S. manufacturer, preferably Texas or California. Robert Geissmann, 153 rue de l'Universite, 75007 Paris. File 3936.

GERMANY—Skylift system, working and life-saving elevators. System consists of three parts: Power unit (truck), roller construction and cabin. Basic model is provided with oil engines and disc brake operated hydro-pneumatically. Steering executed by steering panel on truck. Basic model has movable side construction; cabin includes complete fire and rescue equipment. Carrying capacity 1000 kg. reaching height of 175 m. Mr. Jacobs, Gebr. Wahlefeld, Postfach 9369, 4150 Krefeld 12 (Linn). File 3937.

GERMANY—Manufacturer of fashionable, exclusive ladies' printed apparel (day dresses, dinner dresses, cocktail dresses, evening gowns) wishes to contact U.S. firms interested in joint venture partnership, licensing or representation arrangement, or any combination thereof. For licensing, firm would offer its collection for selection, all patterns, its know-how; would supply technicians for training and support for distribution. SORA trademark registered in U.S., # 1,035,828. Helmut Patschkowski, Mgr., SORA-Werke M. Ulmer KG, D-7208 Spaichingen. File 3938.

GERMANY—Film and sound editing machines consisting of tubular steel table frames, viewing controlling machines, sound meters, counters, and automatic start marking system. Firm wishes to initially manufacture table portion of machine in U.S., with winding and editing televisors and other electronic equipment sent from Germany. Equipment includes viewing and controlling machines for silent pictures and composit heads for optical and magnetic stripe sound, picture scanners with revolving prisms and rear screen projectors. R. E. McCall, W. P. Steenbeck & Co., Hammer Steindamm 27/29, 2000 Hamburg 76. File 3939.

Licensing

AUSTRIA—Spindle drive; does not need anti-friction bearings. New design permits efficiency of about 90%, handling of big loads, and easy changes in linear speeds and pitches. It can be used where rotary motion is converted into linear motion such as in machine tools and automotive steering units. Ing. Herbert Froelichsthal, Postfach 3, A-8047, Graz. File 3940.

GERMANY—Brushless alternator incorporating auxiliary exciter of Lorenz type that delivers practically constant voltage independent of load. Offer made by prominent manufacturer of motors and generators for special applications. Dipl.-Ing. Eberhard Ziegler, AvK Generatoren- und Motorenwerke, P.O. Box 6079 Sprendlingen. File 3941.

GERMANY—Brushless welding generators and converters with operation periods of up to 20,000 hr. without maintenance possible. Dipl.-Ing Eberhard Ziegler, AvK Generatoren- und Motorenwerke, P.O. Box 1128, D-6079 Sprendenlingen. File 3942.

GERMANY—Industrial connectors, CEE-type, offered by medium-sized manufacturer of electric connectors, switches, and switchgear. Ernst Schmidt, Sales Mgr., Walter Werke Ferdinand Walter, Postfach 1180, D-6719 Eisenberg. File 3943.

SWITZERLAND—Manufacturing process used in production of **dials and faces of quality wristwatches and production of costume jewelry.** R. Hayoz, Dir., Liss SA, Bielstr. 87, 2540 Grenchen. File 3944.

SWITZERLAND—Chemical Institute offers following for licensed production in U.S.: **Surface active agents for industrial use,** in particular pre-and finishing treatment, file 3945; synthesis of and scaled-up **plant processes for tailor-made tensides,** file 3946; **bio-degradable and biochemical products,** file 3947; **special products for removal of radioactive contamination,** file 3948; **waste water treatment chemicals and processes,** file 3949; and **pharmaceuticals and cosmetics,** file 3950.

Cross-licensing

GERMANY—Testing and assembly methods used in production of ballasts for fluorescent lamps and discharge lamp ignition systems (chokes). Offer is being made by medium-sized manufacturer of transformers. Herrn Larws, May & Christie GmbH, Postfach 120, D-6370 Oberursel. File 3951.

GERMANY—Conveyors, materials handling and storage systems. Eberhard E. Fielitz, Section Mgr., Roechling-Burbach-Weiterverarbeitung GmbH (Profil/Lager) D-6620 Voelklingen. File 3952.

GERMANY—Piping systems with control valves for breweries, dairies, beverage producers, and chemical industry. Specially designed flap valve with stop lever could primarily be object of license agreement. Werner Scheible, Export Mgr., Suedmo-Armaturenfabrik Leonhard Schleicher, D-7081 Pflaumloch-Wuertt. File 3953.

Direct Sales

The following trade opportunities are based on reports received from the U.S. Foreign Service—Department of State by the Trade Opportunities Program, Room 2323, U.S. Department of Commerce, Washington, D.C. 20230. The commodities in which foreign firms have interest indicated by codes 0111-1799 and 4011-8999 are based on the Standard Industrial Classification Manual, 1972; codes 20 through 39 come from Numerical List of Manufactured Products (New 1972 SIC Basis), MC72-1, 2. Codes beginning with 99 are from the TOP coding system.

U.S. firms should be aware that the listing in Commerce America *of opportunities to trade in specific commodities and technical data does not necessarily imply approval of their export by the Department of Commerce pursuant to the Department's Export Administration Regulations. Applicable export licensing regulations must be followed.*

Every effort is made to include only traders with good reputations. However, the Department cannot be responsible for any trade relations.

WTDR indicates that a World Traders Data Report on this specific firm is available at $15 from the Export Information Division, Room 1033, U.S. Department of Commerce, Washington, D.C. 20230. A WTDR is a trade profile which contains commercial information including financial references, on an individual foreign firm. Orders must include complete name and address of the subject firm and be accompanied by payment. Further information concerning WTDRs and request forms are available at each Commerce District Office.

Drugs

2831200 — TANZANIA — 1,500,000 doses measles vaccines in 10-dose vials; 1,500,000 doses polio vaccines (Sabin) in 10-dose vials; 60,000 rabies vaccines in 1 dose vials; 400,000 doses bog vaccines in 10/20 dose vials; 30,000 doses yellow fever vaccines in 5/10 dose vials; 500,000 doses dpt vaccine in 10-dose vials; 500,000 doses tetanus toxoid vaccine in 10-dose vials; 200,000 doses cholera vaccine inaba/ogawa strains in 10-dose vials; 10,000 doses tab vaccine in 10-dose vials. Interested bidders required to observe following requirements—vaccines are for human use; vaccines must comply with current WHO standards in quality & potency; vaccines must be accompanied by govt. health/safety certificate; bidders must supply samples in cold-chairn conditions to Central Vaccines Stores, P.O. Box 9083, Dar Es Salaam. Bidders must quote price per dose/vials c.i.f. Dar Es Salaam by air freight. Obtain bid docs. from—Secretary, Central Tender Board, P.O. Box 49, Dar Es Salaam, Tanzania. Refer to bid no. 14 1978. Bid deadline July 21.

Paints

2851731-98—EGYPT—Supply of 200 tons white acrylic paint for cooking stove finishes. Tender docs. available for L.E. 10 (US$14.28) per copy from Delta Industrial Co. "Ideal", Foreign Purchasing Committee, 18 Emad El Din St., Cairo. Telex 92218 DTC UN. Refer to tender no. 42/78. Bid deadline July 19.

Laboratory equipment

3229423, 9911207—PAKISTAN—Depts. of N.E.D. Govt. Engineering College: Gen. sciences dept. comprising physics, chemistry, geology & drawing secs. Civil engineering dept. comprising bldg., roads, concrete, sanitary engineering, soil mechanics, surveying material testing & civil engineering secs. Mechanical engineering dept. comprising material testing, mechanics & dynamics, heat transfer fluid mechanics, gas dynamics, metallurgy, heat engines, machine shop, carpentry shop, foundry shop, welding shop, sheet metal shop & photography secs. Electrical engineering dept.—educational & demonstration equip. Equip. incl. solar energy demonstration kit, radiological survey meter, radio-activity indicator, nuclear magnetic resonance & electron spin resonance spectrometer, neutron beam irradiation facility, gas analysis apparatus, power hacksaw, repetition lathe or capstan lathe, cbr apparatus, cbr field set, concrete creep test apparatus, DC microvoltmeter pulse amplifier, lab. glassware & dozens other items. Value approx. $500,000. Financed under credit from Internatl. Dev. Assoc. toward cost construction & equip. N.E.D. Govt. Engineering College. Tender docs. containing several hundred pages detail specs. available from Consultants, M/S Zaheeruddin Consultants Ltd., 5-A Sindhi Muslim Co-Operative Housing Society, Main Rd., Karachi, Cable "ARCHITECT" KARACHI, Tel. 30321; for $35.50 ea. set. Extra charge for despatch docs. to U.S. by 2nd class airmail $18.20 & by air parcel post $5.10. Interested firms requested to contact M/S Zaheeruddin Consultants Ltd., address above, directly. Submit bids to—Project Director, N.E.D. Govt. Engineering College, New Campus, University Rd., Karachi, Pakistan. Cable "PROTECOL" KARACHI; tel. 415821. Bid deadline July 31.

Fabricated structural metal products

3441381—SRI LANKA—Tenders are invited according to detailed specs. for supply & erection of welded steel penstock for Canyon Power Project (30 mv hydro) as stated in Contract No. 4. Tender docs. must be obtained from below address, on payment of RS. 750 ($47.54) inclusive of airmail charges, or tenderers could pay equivalent to Sri Lanka Embassy, 2148 Wyoming Ave., N.W., Wash., D.C. 20008 & obtain receipt which should be airmailed to Chairman, Ceylon Electricity Board (for attn. of Assist. Gen. Mgr., Development & Construction) at address below who will forward required docs. Contract for supply, installation & commissioning of welded steel penstock. Obtain bid docs. from—Additional Gen. Mgr., Ceylon Electricity Board, Dev. & Construction, P.O. Box 540, Sir Chittampalam A. Gardiner Mawatha, Colombo 2, Sri Lanka. Bid deadline Sept. 27.

Fabricated metal products

3494300-400—EGYPT—Supply of valves & accessories for pressure water pipes. Obtain bid docs. for L.E. 105 (US$150) from —Gen. Organization for Greater Cairo Water Supply, Warehouse Dept., 42, Ramses St., Cairo, Egypt.

Construction machinery

3531000, 9915106—INDONESIA—Bids invited only from mfrs./suppliers in member countries of IBRD & Switzerland, either through their Indonesian representatives or partners, for immediate supply of heavy equip. for Jatiluhur Irrigation Project. Tender docs. obtainable for rupiah 20,000 (approx. $48.20) from Perusahaan Umum Otorita Jatiluhur, C/O Dept. Public Works, Jalan Patimura 20/7, Blok K. III, Kebayoran Baru, Jakarta Selatan, Indonesia. Refer to bid no. 009/IEP/1978. Bid deadline July 31.

Metalworking machinery

3545000, 3531921, 3541800—INDONESIA —IBRD has made loan available to govt. for purpose of developing railway system. Part of proceeds will be applied for purchasing tools & equip. for apprentice training program. Applications for bid docs. must be accompanied by non-returnable deposit of rupiah 25,000 (approx. $60.24). Refer to ref. WB1005/IND RLY/CAT IX/TLD & EQUIP. A.T.P. Obtain bid docs. from—Chief Director, Indonesian State Railways, Jalan Gereja No., 1 Bandung, W. Java, Indonesia. Tel. 3001/3005; cable ADDS—QDIRMA BD. Bid deadline Aug. 7.

Special industrial machinery

3559589 — ETHIOPIA — Cotton seed oil mills: I. 1 cotton seed cleaning machine, capacity 100 tons/day; 1 cotton seed cleaning machine, capacity 50 tons/day; II. 1 cotton seed delinting section, capacity 40-50 tons/day; 1 cotton seed delinting section, capacity 80-100 tons/day; III. 2 blade sharpening machines for above delinters; IV. 1 high pressure screw press, capacity 20-30 tons/day; residual OIO content 5 percent; V. 1 crude oil pump, capacity 5 cu. meters/hr., head 30m; VI. 1 filter press to handle 6 ton/hr. Price for above items c.&f. Asab. Price list for spare parts to last 3 years required. Suppliers required state time of delivery of payment ASAP. Agency did not issue detailed specs. on above. Suppliers advised to give quotation priority. Obtain bid docs. from—Megersa Wakjira, Planning & Research Dept. Head, Ethiopian Food Corp., P.O. Box 2345, Addis Ababa.

General industrial machinery

3561100-200-300 — NIGERIA — Alvin P. Newman, senior water resources engineer with U.S. firm, Louis Berger Inc. Nigeria, on assignment as consultant to Kaduna State Water Board, has urgent need for price information & date of availability of several 175 ft. head & 100-300 thousand gal. p/hr. cap. pumps. Supplier must be able to ship pumps very soon. Contact—Alvin P. Newman, Louis Berger Inc. Nigeria, No. 2 Ali Akilu Rd., PMB 2122, Kaduna, Nigeria. Cable BERGERENG.

Electric transmission, distrib. equip.

3612200 — THAILAND — 2 power transformers—copper winding, voltage 69/24-12 kv with load tap changing equip incl. oil, cable compound, lightning arresters & hot spot winding temperature thermometer (image coil system) for 1 phase only, 67 kv delta connection primary voltage, sec-

ondary brought out to be 24,000y/13,860 v. when connected in series & 12,000y/6,930v. when connected in parallel. 3 lightning arresters rated 60 kv. three 350 kv. bil bushings. Three 150 kv. bil bushings. 1 thermometer for thermal image relay. 1 mercury remote thermometer (for oil). 1 buchholz relay. 1 oil level gauge. 1 complete set for gasket. 3 spare bulbs for tap position indicator. 3 spare bulbs for signal lamp indicator. 1 voltage regulator control device. Financed by loan from Asian Dev. Bank. Refer to invitation to bid no. ADB-MEA-342. Obtain bid docs for $9 from—Purchases & Stores Dept., Metropolitan Electricity Auth. (MEA), 121 Chakphet Rd., Bangkok 2, Thailand. Bid deadline Nov. 8.

3612204—BRAZIL—Fourteen 525/230-13,8 kv, 121/160/200 mva, single-phase autotransformers; eight 525 kv, 50 mvar, single-phase shunt reactors; four 525 kv, 33,3 mvar, single-phase shunt reactors. Negotiating loan for purchase with Inter-American Dev. Bank. Bid instructions & specs. available for approx. U.S.$175 from—Electrosul Centrais Electicas Do Sul Do Brasil S.A., Diretoria De Suprimentos, Departamento De Compras, Rua Trajano, Florianopolis SC Brazil. Refer to SB-131. Bid deadline July 26.

3612205—THAILAND — Twenty 500 kva transformers — distr. secondary network type, oil filled, 12,000 volt (delta connected) 416/240v., 3-phase, 50 cycles for installation in vaults or on overhead platforms. Financed by loan from Asian Dev. Bank. Tender docs. for sale at $6.50 per set from Purchases & Stores Dept., Metropolitan Electricity Auth. (MEA), 121 Chakpetch Rd., Bangkok. Refer to bid no. ADB-MEA 341. Bid deadline Aug. 2.

Communications equipment

3661100—NEW ZEALAND—Stored program control telephone exchange switching equip. New Zealand Post Office, funded by New Zealand govt. Obtain bid docs. from—D. Hepworth, Director Supply, Supply Div., Post Office Hqs., Wellington, New Zealand. Refer to tender no. 173/173. Bid deadline Oct 31.

3661100—SYRIA—Supply one 100-branch-lines automatic telephone exchange for educational buildings at Mazeh. Bid & final bonds 5 percent tender price & 10 percent contract price. Delay penalty 1 per thousand daily. Obtain bid docs from—Public Telecommunications Establishment, Jabri St., Damascus, Syria. Refer to bid no. 4006. Bid deadline July 22.

3662100—CYPRUS—Supply of—A. Terrestrial microwave radio equip. to link: A-1. Earth Station with Nicosia Internatl. Transmission & Maintenance Center & also with Cyprus Broadcasting Corp. at Nicosia & A-2. Towns of Nicosia, Larnaca & Limassol, through repeater station at Kionia. Equip. offered should meet latest c.c.i.r. rec. as contained in vol. IX, Geneva 1974. B. Multiplex & associated equip. for: B-1. Satellite Earth Station & Nicosia Internatl. Transmission & Maintenance Center & B-2. Towns of Nicosia, Larnaca, & Limassol, & also for repeater station at Kionia. Multiplex equip. should be of single sideband suppressed carrier frequency div. type with tech. characteristics equalling or exceeding relevant specs. of Intelsat document BG-28-72 & latest pertinent ccir & ccitt recommendations. Standard of materials, finishes, etc., for equip. should conform to either British specs. & codes of practice or other recognized standards equivalent to or better than British Standards. Quotations should be in Cyprus lbs. c.i.f Limassol or Larnaca Port Cyprus (south) & should be accompanied by letter of guarantee for 10 percent quotation. Also state credit facilities offered. Tender docs. available for 10 Cyprus lbs. (U.S.$26) per set of 2 from below address & must be obtained prior to submitting offers. U.S. Embassy, Nicosia ready to provide addtl. info. to interested firms & to deposit tender docs. for submitting firms at Authority tender box in Nicosia on request. Reply to—G. Papioannou, Chief Engineer, Cyprus Telecommunications Auth. (CYTA), P.O. Box 4929, Nicosia, Cyprus. Refer to contract no. AT.9/78. Bid deadline Aug. 4.

3662100, 9912500—SINGAPORE—Supply & installation terrestrial microwave link between Comcentre (on mainland Singapore) & Sentosa (offshore island). Microwave system will be designed to transmit & receive 1,800 standard voice channels & 1 color tv channel with common protector channel in upper 6 ghz ccir bank. Tenderer required to supply, deliver, install, test & commission complete end-to-end link. Tender will be awarded on turn-key basis. Tenderer in submitting bid is deemed to have surveyed sites or drawings of sites if physical survey is not possible at this stage, & be fully aware of requirements laid down in specs. All equip., materials, works & services required for complete system performance should be incl. in proposal even though it may not be specifically stated herein. Tender docs. available upon payment of S$2,000 (approx. US$860) deposit, from Douglas Ting, Mgr., Purchasing Dept., Telecommunication Auth. Singapore, 4th Fl. Plaza Singapura, 68 Orchard Rd., Singapore 9. Refer to tender no. PT/78/78(Y). Bid deadline July 21.

3662224 — NEW ZEALAND — Automated radio program switching equip. Broadcasting Corp. funded by New Zealand govt. Tender docs. available from Dept. Commerce, TOP, Rm. 2321, Wash., D.C. 20230, Tel. 202-377-2251. Cable BROADSERV; telex NZ3867. Submit bids to—D. F. Whittle, Supply Mgr., Broadcasting Corp. New Zealand, P.O. Box 98, Wellington, New Zealand. Refer to tender no. 1988/8/1. Bid deadline Aug. 1.

3662241—SINGAPORE — Telecommunication Authority Singapore intends to procure, on behalf of Dept. Civil Aviation, apron closed-circuit television system at Changi Internatl. Airport which scheduled to be operational by Sept. 1, 1980. Apron CCTV required to monitor movements of aircraft, vehicles & personnel in 'apron areas' & 'aerodrome areas' at airport. Principal requirements to be met by contractor available from Dept. Commerce, TOP, Rm. 2321, Wash., D.C. 20230, tel. 202-377-2251. Tender docs. available upon payment of S$1,000 (approx. US$430) deposit, to be paid in form of bank draft made out in favor of 'Telecommunication Authority of Singapore' & must be obtained prior to submitting offers. Bid deadline Aug. 11. Obtain bid docs. from—D. Ting, Mgr., Purchasing Dept., Telecommunication Auth. Singapore, 4th Fl. Plaza Singapora, 68 Orchard Rd., Singapore 9. Refer to tender no. PT/77/78(Y).

Motor vehicles, equipment

3711200, 3523855—TANZANIA—8 ten-ton lorries for Geita Cotton Project. Financed by World Bank. Interested bidders requested to note that as condition to tender they are required to submit detailed, costed recommendations for adequate inventory of spares & maintenance of materials to be held in workshop at Geita. Important factors for tender evaluation will also be delivery dates, availability spares & servicing facilities. Prices to be quoted should be c.i.f. Dar Es Salaam. Submit offers to—B. Salala, Gen. Mgr., Tanzania Cotton Authority, P.O. Box 9161, Dar Es Salaam, Tanzania. Bid deadline July 27.

Measuring & controlling instruments

3824231-98—SINGAPORE—Supply & delivery 30 nos. 65mm (high flow) & 75 nos. 100mm (high flow) water meters for Water Dept. Tender docs. available upon payment of S$500 (approx. US$215) deposit. Deposit to be made at Counter 6, Finance Dept., Public Utilities Board, PUB Bldg., Ground Fl., below address prior to submitting offers. Prospective tenderers unable comply with requirements tender should reply stating they are unable to tender & also return their tender forms on or before closing date tender, otherwise tender deposits will be forfeited. Tender part of project to be financed from loan by Asian Dev. Bank. Only tenderers from countries which are members of Asian Dev. Bank or from Luxembourg allowed to tender. Bid deadline Sept. 5. Submit bids to—Chou Tai Choong, Chief Water Engineer, Public Utilities Board, PUB Bldg., 13th Fl., Somerset Rd., Singapore 9. Refer to ref. WE 652237/1/76.

3825000 — SYRIA — Local businessman, Salim Touma, seeks equip. for teaching laboratory constructed by Syrian Ministry Defense. Touma has been asked by Ministry to provide U.S. specs. for equip. to be used in new lab. Equip. will be purchased in several tenders, 1st of which (for 3 million Syrian pounds) will be issued shortly. Total value equip. est. at 70-80 million Syrian pounds. (U.S.$1=3.90 Syrian pounds). Partial list equip. & laboratories follows—electrical machinery lab.—motor generating sets, motor torque meter sets, transformers, rheostats, voltmeters, wattmeters, ampere meters, stroboscope; automatic control equip. lab.—analog, digital logic system, process control simulator, voltage stabilizer oscilliscope, a.c. & d.c. modulator servo systems, transistors, diodes; microwave lab.—klystron power supply, ferrite isolator, variable attenuator, frequency meter, swr motor, standing wave detector oscilliscope, modulator, power meter, dc voltmeter, ferrite circulator; logic circuits & integrated circuits; lab.—digital circuit tester & analyzer, electronic & digital multimeters, regulated & variable power supplies, panels (for encoders, decoders, adders clock, etc.), voltmeters, pulse generators, oscilliscopes, gates; electronics lab.—power supplies, voltmeters, oscilliscopes, audio & high frequency generators, vacuum tube tester, transistor meter, ammeter, panels, curve tracers, components; radio receiver & transmitter labs—power supply am/fm generator, oscilliscope, noise generators, curve tracer, tube testers, digital multimeters, distortion meters, spectrum analyzer, wave analyzer panels & components; telephone & telegraph lab.—power supply oultimeters, noise generators, distortion meter, telephone set panel, telex teleprinter, picture transmission equip., telephone exchanges; pulse technique lab. (measuring instruments) — oscilliscope function generator, pulse generator, power supply, digital frequency meter, curve tracer, panels & components. Touma would like to provide U.S. specs. for this equip., & would like to get in touch with U.S. firms quickly to obtain catalogs &

other tech. info. Touma has expressed interest in representing interested U.S. firms. Firms can contact Touma either through U.S. Embassy Damascus, Commercial Sec., or directly at Remeca Co., Salim Touma, P.O. Box 3127, Damascus, Syria. Telex 11321.

Medical equipment

3841000-2000—KUWAIT—Hussain Safat & Sons Co., successful local firm specializing in scientific & medical equip., request U.S. supplier of medical instruments & equip. to contact him ASAP. Detailed description for above will be provided by firm. Terms should be c. & f. Kuwait. Contact—G. N. Rao, Managing Dir, Hussain Safar & Sons, P.O. Box 24012 Safat, Kuwait. Refer to govt. tender MED/26/27. Tel. 633423; cable PADMASHREE.

Construction

9911201—BAHRAIN—To complement 625-bed central medical center which will open in late summer, Bahrain Ministry of Health planning build 3-story private clinic adjacent to hospital complex. Press news indicated detailed drawings of $8 mil. clinic, designed by Ceri Davis, dep. chief architect to Britain's Dept. of Health & Social Services, were recently presented to Health Minister who said that funds were available. Clinic facilities will incl. examination & consulting suites, 30 offices for consultants, & central medicine & physiology lab. Embassy will report any new info in future. Contact—Minister of Health, P.O. Box 12, Manama, Bahrain.

9911201—GUATEMALA—Prequal. notice for firms interested in participating in public bidding for construction natl. hospital in San Marcos. Project part natl. health service program. Project will require execution civil work & acquisition, installation & maintenance equip. & furniture. Firms interested in prequalifying for submission bids must comply with regulations established in Guatemalan contracting law as it refers to inscription in prequalifying register of Gen. Directorate Public Works. Prequal. docs. must be presented in Spanish or accompanied by translation by certified translator authorized by govt. Guatemala by deadline, & it is suggested that firms come to Guatemala to do this. Construction firms who are already prequalified with Ministry of Communications must only present updating docs. to revalidate their prequalification. Firms specialized in hospital construction as well as suppliers complete hospital equip. may participate. Such firms may subcontract with another intl. or local construction firm execution civil works of project. Prequal. deadline July 31. Submit prequal docs. to—Ing. Carlos E. De La Cerda, Dir. Gen., Direccion Gen. De Obras Publicas, 10A. Calle 9-37, Zona 1, Guatemala City.

9911300—CYPRUS — Tenders invited for suitable bldg. & engineering contractors for constr. of 11 low-cost housing estates, 3 ea. at Nicosia & Limassol & 5 at Larnaca, totaling about 3,000 housing units & apts. incl. necessary roads, sidewalks & landscaping. Quotations should be in Cyprus pounds & accompanied by tender guarantee equal to 2½ percent of aggregate tender sum but should not exceed 50,000 Cyprus pounds. One complete set tender docs. comprising 2 copies rep. bills of quantities; 2 copies of form of tender; 1 tender envelope; 1 label for envelope for return of priced bills; 1 copy ea. of drawings of proposed sites & designs, available at U.S. Embassy, Nicosia. Cost of tender docs. is 80 Cyprus pounds (about U.S. $208). Value of tender is substantial & U.S. contractors already in Middle East or Gulf States with experience in prefabricated housing, should be in particularly advantageous position to compete. U.S. Embassy ready provide additional info. to interested firms. Refer to tender no. Refugee Housing 1978 Cyprus—Phase 3. Submit bid docs. to—Accountant Gen., Pres. Tender Bd., Treasury H.Q., Ministry of Finance, Nicosia, Cyprus. Bid deadline July 22.

Communication projects

9912100—JORDAN—Supply & installation telephone cables & materials, testing & commissioning complete outside plant junction cables, main feeder & distribution systems in Jabal Amman. Quotation also requires installation 3 networks, to be provided by supplier on turn-key basis, according to outside plant standards as provided by ICC. In addition to installation of outside plant cable lines & rewiring existing telephones, contractor will be required to rehabilitate some existing cables & to remove existing plant that is to be replaced, & to haul displaced material to TCC central stores. Agents must obtain tender docs. from below address, for JD.300 prior to submitting offers. All bidders required to post bid bond in amount 5 percent of bid value in Jordan dinars, issued from Jordanian bank, concurrent with proposal. Obtain bid docs. from—Secretary of Tender Committee, Telecommunications Corp., P.O. Box 1689, Amman, Jordan. Telex 1221. Refer to bid no. TCC 5/78. Bid deadline Sept. 20.

9912400 — ALGERIA — Reinforcement works for five 100-meter television towers & one 150-meter tower on sites of lot 1)—Chrea, Ain-N'Sour, Tessala & lot 2)—Akfadou, Megriss & Kef-El-Akhal. Tender document costs 400 DA ($100) & must be obtained from RTA, Direction Des Services Techniques et de L'Equipment, 21, Blvd Des Martyrs, Bureau 359, Nouvel Immeuble, Algiers; cable RTA ALGER; telex 52042. Partial offer acceptable. Offer & corres. must be in French; all specs. metric. Submit offers by registered mail to—Direction De L'Administration Generale, Min. De L'Information et de la Culture, 119 Rue Didouche Mourad, Algiers, Cable MININF ALGER; telex 52989. Refer to bid no. 423/E. Bid deadline July 30.

Mfg. & fabrication plants

9913106—KOREA—Hyundai Motors Co. (HMC), member of Hyundai business group, plans expand its automobile mfg. plant in Ulsan in S.E. coastal area Korea. It will increase present production cap. 56,000 cars/year to cap. 200,000 cars by end-1980. Total project costs presently est. $100 million, foreign exchange costs about $50 million, will be financed by Hyundai Motors Co. itself for importation machinery & equip. Payment will be made by irrevocable L/C's at sight through major bank in Seoul. No employment foreign consultant services or tech. licensing will be required for this project. Site preparation (civil works) for modernization & expansion has recently begun with completion of total project expected by end-1980. Equip. importation & installation will take place during later part 1978 & 1979. HMC intends to locate sources for necessary equip. directly from among U.S. machinery mfrs./suppliers & to procure tender proposals (quotations) directly from them. HMC now preparing detailed list of items to be purchased for subject project which incl. machinery & equip. for & gasoline & diesel engine plant, forging plant, foundry plant, die shop, press plant, engineering center, & assembly plant facilities & equip. Hyundai would like to receive catalogs, brochures & gen. price info. from U.S. firms directly. According to Mr. Kim, main purpose for collecting such info. by Hyundai is to establish basis for prequalifying potential bidders for competitive tenders which would be issued shortly after selection bidders. Implementing officer additl. indicated that Hyundai will consider sending its top engineers to visit U.S. firms to help in preparation quotations incl. detailed descriptions when Hyundai receives affirmative responses from qualified U.S. suppliers. Contact—Mr. Kim, Yang-Soo, Deputy Mgr., Overseas Procurement Dept., Hyundai Motors Co., No. 140-2, Kedong, Chongro-Ku, Seoul. Cable HYUNDAI MOTORS SEOUL; telex HDMOC K23521/K23522.

9913308—ALGERIA — Construction turnkey plant 1 factory for production polyethylene containers in port of Algiers (cap./year—7 million cans/5 liters, 7 million cans/3 liters & 6 million cans/2 liters) & for filling daily 200 metric tons edible oil in these cans. Tender docs. costs 200 DA ($50) & must be obtained from Sogedia, Direction Des Realisations, 13, Ave. Chahid El-Quali Mustapha Sayed, Algiers; telex 52837 & 52316. Offer to remain valid 90 days past bid deadline. Offer & all corres. must be in French; all specs. metric. Cables SOALCO ALGER; telex 52837 & 52316. Submit offers by registered mail to—Commission Des Transactions Commerciales, Sogedia, B.P. 55 B. Ferhat Alger, Algiers. Refer to bid no. 78/04/DR/PL/RSA. Bid deadline Sept. 15.

Metals production & processing

9914105—EGYPT — Supply salt glazed stoneware pipe for sewage projects. Obtain bid docs. for L.E. 150 (US$214.28) from—Gen. Organization for Sewerage & Sanitary Drainage, Foreign Purchasing Committee, Tahrir Bldg., Tahrir Sq., Cairo, Egypt. Bid deadline July 26.

Natural resource development

9915108-9 — TUNISIA — Societe Natl. D'Exploitation et de Distrib. Des Eaux, SONEDE, state co. responsible for water exploitation & distrib. in Tunisia, issuing internatl. tender for hydraulic construction, lot 5, as follows—Sub Lot 5—1. Construction 2 water tanks of 5,000 cubic meters with annexes & water renewal station. Sub Lot 5—2. Construction 2 water tanks of 10,000 cubic meters with annexes. Financed by Kuwaiti Fund for Arab Economic Dev. Purchase tender docs. & specs. for 200 Tunisian dinars (ITD-$2.42) from SONEDE, Services Marches, 28 Rue Nehru, Montfleury Tunis, Tunisia. Bid deadline July 28.

9915109-99—EGYPT—3 water treatment plants, 2 of which shall have nominal & hydraulic cap. 60,000 cubic meters/day, & 3rd shall have nominal & hydraulic cap. 240,000 cubic meters/day. Equip. supplied shall incl. every component of treatment plants for Alexandria Waterworks Extension Project. Financed by IBRD. Only firms of World Bank member countries & Switzerland, or their authorized Egyptian agent, eligible to submit offers. This is multimillion dollar tender. Interested U.S. firms urged to contact their Egyptian agent to purchase conditions & specs. of

tender for $200 each from below address. Review copy only of conditions & specs. available at Dept. Commerce, TOP, Rm. 2324, Wash., D.C. 20230, tel. 202-377-2251. Obtain bid docs. from—Foreign Purchase Dept., Purchase & Contract Gen. Div., Alexandria Water General Authority, 61, Av. El Horreya, Alexandria, Egypt. Cable WATERWORKS ALEXANDRIA; tel. 32847; AWGA UN. Refer to tender no. 3 W.B. Bid deadline Aug. 6.

9915109—INDONESIA—Directorate General of Housing, Planning & Urban Dev. (Direktorat Jenderal Cipta Karya) announced that sealed bids are invited for supply piping materials from 700 mm to ½ in. dia., incl. all fittings, valves, appurtenances & misc. materials. Supply water works equip. (vehicles, tools & laboratory equip.) for Cirebon & Yogyakart water supply projects. Financed under grant from Switzerland Govt. Only firms of World Bank member countries & Switzerland, or their authorized Indonesian agent, eligible to participate in bidding. Contract docs. must be obtained against payment of Rupiah 25,000 (approx. $60.24) per copy (non-refundable) from Ir. Rachmat Wiradisuria, Directorate Sanitary Engineering, Jalan Pattimura No. 20, Kebayoran Baru, Jakarta Selatan, Indonesia. Bid deadline Aug. 8.

9915502-3, 9915199—ALGERIA—Prequalification for improvement water treatment for city of Algiers; these works incl.—construction 1 rain & waste main collector along left side of Oued (Small River) El-Harrach (7 km. length); approx. 380,000 cubic meter excavation works & setting 35,500 cubic meter concrete; & construction 1 treatment station for industrial & domestic waste waters from 750,000 inhabitants, 4 cubic meters/sec. max. cap. Prequal. docs available from address below & must be obtained prior to submitting offers. Project evaluated at 500 million Algerian dinars. Algeria has obtained $82 million loan from IBRD for partial financing. Offer & all corres. must be in French; all specs metric. Obtain prequal. docs. from—Direction De L'Hydraulique De La Mise En Valeur, Des Terres et de L'Environnement, Immeuble La Pepiniere R.N. 5 Cinq Maisons, El Harrach, Algiers. Prequal. deadline July 31.

Transportation support systems

9916300—SYRIA—Construction of vessel repair slip at Tartous port for ships up to 1,200 tons, at 4 m. draught max., & supply relative equip. Project calls also for deepening works; slip; block quay wall, side conversion pathway; repair platform; winch & pulley foundations; standard reinforced & prestressed concrete works; metallic works. Bldg. construction, extensions, cable works, outdoor pipings, roads, open yards. Mechanical & electrical equip. for workshop, gen. services bldg., stores, & mobile equip. Tenderer should provide statement tech. proficency & similar works already performed, statement of financial position during past 5 years, catalogs equip., operation curves, & consumption graphs, along with timetable. Offers without said statements or requirements are refused. Execution period 24 mo. Offer firm for 5 mo. Bid & final bonds 2.5 percent tender price, & 5 percent contract price. Delay penalty 1 per thousand daily. Offer in 3 envelopes—1 for supporting docs. & bid bond, another for specs., & 3rd for financial details & price list. All in larger envelope labeled "ship project-Tartous." Establishment will make 15 percent downpayment of cost to selected contractor. Mode of payment not defined. Project file containing specs. & conditions obtainable against payment of 1,000 Syrian pounds (U.S.$1 = S.P. 3.90) from Gen. Establishment Major Projects, Fardoss St., Damascus, Syria. Refer to bid no. 4043. Bid deadline Aug. 15.

Power generation & transmission

9918104—INDONESIA—PLN (Indonesian State Electricity Corp.), agency of Ministry Mines & Energy, invites sealed bids covering major mechanical & electrical equip./materials for new 200 mw unit 3 addition to existing thermal power plant serving Semarang & Central of Semarang (Central Java). Bidding docs. comprise vol. as follows: Vol. I—invitation & instructions to bidders. Gen. & special conditions, bond & contract forms. Vol. IA—proposal data. Vol. II—steam generator & auxiliaries (furnish & erect), equip. specs. Vol. III—turbine generator & auxiliaries (furnish & erect), equip. specs. Vol. IV—electrical equip. (furnish only), equip. specs. Vol. V—power transformer (furnish only), equip. specs. Lump sum proposal will be received for all equip. & materials in any one of Vol. II thru V or for any combination Vol. II thru V. Will consider only bids from qualified mfrs. or their authorized reps. To qualify for award, bidder must have mfrd. at least 3 units similar or larger design requirements to those specified & units must have been in continuous successful commercial operation for min. 3 yrs. PLN received loan from IBRD, for financing for unit 3. Obtain bid docs. from—Directorate Planning, Perusahaan Umum Listrik Negara, Jalan Trunojoyo Blok M I/135, Kebayoran Baru, Jakarta Selatan, Indonesia. Bid deadline Aug. 21.

9918201-99—SRI LANKA — Tenders invited according to detailed specs. for supply materials & equip. for 6-mile 132 kv transmission line between Canyon & Lazapana as stated in contract no. 5; tender docs. cost RS 300 ($19.20), deadline Aug. 9. Also, supply, installation & commissioning (indoor) of electric mechanical equip. under contract no. 3A for Canyon Power House, headworks of Mousakelle & Tunnel outlet, & new Lazapana & old Lazapana Power House. Supply, installation & commissioning of main transformer & equip. (outdoor) under 3B for Canyon switchyard & new Lazapana switchyard; tender docs. cost RS 1,250 ($79.18), deadline Aug. 23. Prospective tenderers can pay equivalent to Sri Lanka Embassy, 2148 Wyoming Ave., N.W., Wash., D.C. 20008 & obtain receipt which should be airmailed to Chmn., Ceylon Electricity Board, Dev. & Construction, P.O. Box 540, Sir Chittampalam, A. Gardiner Mawatha, Colombo 2, Sri Lanka. Refer to contract no. 5. Bid deadline Aug. 9.

Engineering services

9922199, 9915109—PAPUA NEW GUINEA—PNG announces opportunities to prequalify for civil engineering contracts for water supply schemes at Lea, Wewak & Mt. Hagen. Civil engineering construction works will be carried out under 9 separate contracts & tender docs. will be issued to prequalified contractors between Sept. 1978 & Oct. 1979. Cost of any single contract expected to be between $300,000 & $2,800,000. Works will comprise construction of—headworks; reservoirs & trunk mains; laying of reticulation mains. Tenderers must show that they have sufficient financial resources & tech. experience to undertake contracts. For purposes of these requirements, term "eligible source country" means any member country of Asian Dev. Bank, other than France. Prequal. to tender for construction headworks will be open to contractors from all eligible source countries as described above. Prequal. to tender for construction reservoirs & pipelines will be limited to contractors with offices registered in Papua New Guinea. Further info. may be obtained from Consulting Engineer, Binnie & Partners, P.O. Box 483, Port Moresby; tel. 25 6070; telex no. NE22205. Registering construction co. in PNG is neither difficult nor costly. U.S. Embassy Port Moresby will be happy to supply details to interested firms. Obtain forms from—Secretary, Dept. Works & Supply, P.O. Box 1108, Boroko, Papua New Guinea. Telex no. NE 22114. Application deadline Aug. 1.

Agricultural development

9923202-99—YUGOSLAVIA—Agro-industrial enterprise ZZ PK Makedonija, Skopje, looking for U.S. contacts which can help them design & eventually build solar heating station for growing crops in greenhouses. At present they are using central heating. Climate in southern Macedonia where enterprise located highly favorable for solar heating system. There are unusually high number sunny days yr.-round & temperature moderated in winter by warm air which flows up Vardar River valley from Aegean Sea. Solar station intended to complement existing central heating system. Detailed tech. data on both existing system & climatic conditions available from below address. Investor would like to have preinvestment & feasibility studies completed by U.S. firm. Obtain tech. data from—Ing. Popovski, ZZ PK Makedonija, UL. Zeleznicka B.B., P.O. 326, 91000 Skopje, Yugoslavia.

Representations

Foreign private firms are interested in agency agreements and/or distributorships for these products.

Knitting mills, products

2251111—JAPAN—Women's fashion hosiery/stockings. Buyer has good contacts with young fashion stores, dept. stores in Okinawa & Toyko/Osaka. Needs brochures ASAP. Annual sales 1977 about $0.87 million. Wishes to have distributorships of above. Speaks good English. Co. ref.—Bank of America, Naha, CPO Box 378 Naha, Okinawa. Reply to—Mrs. Lily Chen Hsu, Pres., Lee & Azuma Corp., CPO Box 204, Naha, Okinawa, Japan. Cable CC CENTER NAHA; tel. 0988-34-0227.

Textile goods

2299377—WEST GERMANY—Flax tow. Importer of cotton yarns, raw flax, hemp, jute & sisal fibers, as well as manila & synthetic fiber ropes. Founded 1925; employs 4; annual sales about DM 2.5 million. Good financial reputation. Reply to J. F. Dunkake, J. F. Dunkake & Bohle, Postfach 10 61 26, Contrescarpe 13, D-2800 Bremen 1, Germany. Cable BOHLDUN BREMEN; tel. 0421 32 42 30; telex 24 49 69 BOHDU D.

Food products

2899411—MOROCCO — Vegetable gelatin for use in food industry. Firm is mfr.'s agent. Seeks U.S. mfrs. for exclusive distrib. Send letters & publicity material in French, if possible. Reply to—Mr. Benhamou, Moridis, 13, Blvd. Ibn Tachfine, Casablanca, Morocco. Tel. 24-49-73.

Plastic products

3079071—UNITED KINGDOM — Office waste bins. Co. claims to be largest co. in U.K. wholly engaged in marketing imported commercial stationery. Wishing to increase turnover, seeks supplies from U.S., particularly original and/or competitively priced products. Requests prospective U.S. suppliers provide all available info. incl. c.i.f. prices Liverpool, boxed & outer quantities, delivery time, min. ordering quantity. Ref.—Barclays Bank Ltd., Market St, Bolton, Lancs. Reply to—P. R. Jackson, Mayfair Creative Products Ltd., Carne House, Markland Hill, Bolton, Lancashire, U.K. Tel. 0204-491349; telex 635080.

3079463 — AUSTRALIA — Thermoplastic child resistant & tamper proof pharmaceutical closures for prepacked drugs. WTDR in preparation. Reply to—M. B. Stevens, Mng. Dir., Injectaform Pty. Ltd., 4 Cross St., Brookvale, N.S.W. 2100, Australia. Tel. 935426.

Footwear

3143479—HONDURAS — Men's military boots, leather tops & rubber soles, all sizes. Buyer wants supplier responses ASAP, quote c.i.f., against L/C, also catalogs, price lists, & samples. Aggressive importer, distrib. & agent seeking representation or agency arrangement. Annual sales potential about $200,000. Firm services & covers entire country, & already represents several U.S. firms for general hardware, hand tools, institutional & hotel furnishings, etc. Enjoys good reputation in commercial & banking circles. WTDR not available. Reply to—Mayo Andonie, Gen. Mgr., Representaciones Andonie, Colonia Las Colinas 204 H, Tegucigalpa, D.C., Honduras. Cable ANDOBEX; tel. 221591, 224807.

Glassware

3229100—EGYPT — Supply of various types of glassware for household use. Seeks catalogs & offers f.o.b. & c.i.f. Alexandria. Telex 92623 CASHEN UN—attn. Al Abd. Contact Mohsen Al Abd, United Group, 22 Nehro St., Heliopolis, Cairo, Egypt. Cable UNIGROUP CAIRO; tel. 867849.

3231633-98—WEST GERMANY—Novelty glassware to be used as gift items or souvenirs. Watch crystals. Quotations c.i.f. Hamburg; cash against docs. Firm founded in 1964, employs 5. Reportedly satisfactory sales. Good reputation. Finances in order. Suitable business partner. Reply to—Bernd Gehr, Bernd Gehr Export, Konstanzenstrasse 46, 8500 Nuernberg, Germany. Tel. 0911/614286.

Iron, steel foundries

3321900—ECUADOR—30 fire hydrants, column-type with valve to open against pressure & to remain closed if cap is broken or lifted for inspection purposes. Hydrants to have automatic drainage valve. Hydrants to consist of 2 sections joined with clamps; upper section to have two 2½" hose inlets & one 4½" fire pump. Hydrants should meet AWWA C—502 requirements. Hydrants needed for naval base in Guayaquil. Reply to—Reinerio Casanova-Intriago, Mgr., Almacen Casanova, Casilla 465, Guayaquil, Ecuador. Cable CASANOVA; phone 305235.

Metal stampings

3462000—WEST GERMANY—German co. would like to import commemorative coins & legal tender coins (uncirculated & proof quality). Seeking contacts to U.S. mints. Marketing channels in Germany would incl. all major German banks & savings banks. Leading wholesaler in Germany for this kind of product. Represents Royal Canadian Mint & is authorized distrib. of Olympic Coin Program for 1980 Moscow Olympics. Annual turnover of DM 40-50 million & operates with 12 employees. Very favorably known to Consulate General. Reply to—Hans W. Hercher, Postfach 1115, D-7801 Umkirch Bei Freiburg, Germany. Telex 7722924; telephone 7665/7055.

Special industrial machinery

3555343 — FRANCE — Phototypesetting machines. Estab. 1976. Importers of phototypesetters & computing equip. & peripherals. Employs 50 & 8 salesmen. Sales area—Europe, Asia, & Africa. Claims 20 million francs turnover. Financial ref.: FNBB, Banque Parisienne de Credit & Banque Nationale de Paris, all in Paris. May be interested in licensing agreement. Reply to—Roland Gabadou, Pres. Dir. Gen., Graphic Systems, 78-80, Ave. Gallieni 93170 Bagnolet, France. Telex 211 737; tel. 360 21 21.

Office, computing, acct. machines

3579698—NETHERLANDS — Word processors. Estab. 1971, staff 40, auth. capital dfl. 200,000, paid in dfl. 100,000, annual sales dfl. 12 million (US$1 = dfl 2.20). Bankers — Nederlandsche Middenstandsbank NV, S-Hertogenbosch. Has 2 subsidiaries—MMB BV in Rosmalen & MVB PVBA in Belgium. Subject represents Access Corp., 4815 Para Dr., Cincinnati, 45237 for automatic electronic retrieval systems. Recommend transactions on secured basis. Reply to—H. T. Meijerink, Mgr., MVB Marketing En Verkoop Van Bedrijsmachines BV, 2 Vinkenveld, 5249 Re Rosmalen, Netherlands. Telex 50471; tel. 04192-9133.

Household appliances

3634343-4-5-7—MOROCCO—Space heaters, electric. Major importer of household equip., seeks U.S. mfrs. of above for exclus. distrib. Send letters & publicity material, in French if possible, to Mr. Drissi, Radelec, 10, Rue Pegout, Casablanca, Morocco. Tel. 27-57-90; telex 21840 SECOLAS; cable RADELEC, CASA.

Electronic equipment

3662622—FRANCE—Ultrasonic cleaners. Estab. 1973, imports, distributes mechanics hand service tools, saw blades & electronic components. Employs 9. Bank ref. —Credit Industrial et Commercial, 47 Boulevard Jules Quesde, 93200 Saint Denis. Firm considered suitable trade contact for U.S. concerns. WTDR 3/78. Reply to—Roger Ferry, Mgr., COFIBA, 125 Rue Anatole France, 93121 La Courneuve, France. Telex 210311; tel. 836-72-73.

Electronic components, accessories

3679029-31 — WEST GERMANY — Earphones & headsets for hi-fi systems; phonograph cartridges; cleaning & antistatic devices for phonograph records. Firm is medium-sized importer & wholesaler of hi-fi equip. Sales in 1977 (year of estab-

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lishment) est. at DM 2.5 million. Reply to—Hans Seitz, Mgr., Audiosysteme & Marketing Service GmbH, Richard Wagner Strasse 13, D-6093 Floersheim 4, Germany. Tel. 06145-33330; telex 04 14759.

Electrical machinery, equipment, supplies

3692010-20-30-50—MOROCCO — Dry cells (leclanche type) for transistor radios, flashlights, etc. Manufacturers' agent seeks U.S. mfrs. for exclusive distributorship. Send letters & publicity material in French, if possible. Reply to—Jadimex, 2, Rue De La Somme, Casablanca, Morocco. Tel. 22-28-50; telex INERCO 21-787.

Measuring and controlling devices

3823061—WEST GERMANY — Pressure gauges; indicating & controlling instruments & other pressure measuring equip. Import value will depend upon products offered. Buyer, middle-sized importer & dealer in laboratory equip., wishes to expand. Has good business contacts throughout Germany & EC countries. Employs 10. Annual sales volume DM 2.5 million. Quote price c.i.f. Basel Airport. Terms of payment within 30 days upon receipt of merchandise. Favorably known to Consulate General. Sales rep./distrib. for Germany. Reply to—Brindi Messgeraete GmbH, Postfach 1171, D-7850 Loerrach, Germany. Cable BRINDI; tel. 7621/10742.

3825298—WEST GERMANY—Testers of all kinds, i.e., voltage testers, spark plug testers, car light testers, all preferably of screw-driver type. Aggregate annual sales value about $50,000. Founded 1958, employs 20, mostly workers. Annual sales amount to about DM 2 million. Good financial reputation. Reply to—Kurt Abraham, Kurt Abraham KG, Postfach 1147, Jadestr. 4, D-2960 Aurich 1, Germany. Telex 027437; tel. 04941/2584.

Special products

9950004—SAUDI ARABIA—Infant children's items (clothes, toys, household & teaching elements). Firm wishes contacts with U.S. suppliers of children's requirements. Cable or telex—Issam A. Saroor Sabban, Dir. Gen., Sabban Trading Co., Jidda, Saudi Arabia. Cable ADJSABBAN; phone 26581, 24890; telex 401217 LOEI SJ.

Visiting Buyers & Officials

ISRAEL—Yehuda Weiss wishes to meet with manufacturers of **bedsheets (50 percent polyester/50 percent cotton), towels, bedroom and bathroom accessories (blankets, covers, mats), tablecloths, and plastic kitchenware and dinnerware** for direct purchase and/or agency. He is also interested in meeting manufacturers of less than average quality of **household linen.** Weiss itinerary and departure dates are flexible, but he plans to be in the U.S. around July. For additional information contact Jane Puse, Foreign Buyer Program, Room 2322, U.S. Department of Commerce, Washington, D.C. 20230, 202-377-3265.

NIGERIA—Major R. Salawu from Ibadan wishes to meet with manufacturers of **road safety equipment.** He plans to visit U.S. sometime between the latter part of June and early July. Contact Jane Puse, 202-377-3265.

KUWAIT — Abdullah Hamad Humaidah and Hamad Khalifah Humaidah, major food importers, are to arrive in the U.S. June 19. The purpose of their trip is to meet with **food processors** and acquire agency rights for Kuwait. Humaidah is also interested in establishing business contact with food brokers. For further information contact Damon Greer, U.S. Department of Commerce, Foreign Buyer Program, Room 2322, Washington, D.C. 20230, 202-377-3265.

SWEDEN—Bo Halling of Stockholm, seeks U.S. suppliers of **personal/hobby computers and metal detectors for treasure hunting** with the end of acquiring a distributorship for Sweden to complement his existing EDP peripheral equipment line. He will be in U.S. for two weeks in June. Contact Damon Greer, 202-377-3265.

ALGERIA — M. A. Cherifi, Director of Manufacturing Industries, Algerian Ministry of Light Industries, is organizing a July visit to the United States for five senior representatives of the National Textile Monopoly (SONITEX) and the National Textile Engineering and Development Company (SNERI). Group plans to build **three plants to produce polyester, polyamid, and polyacrylic fibers.** Plants would not produce raw materials. Group seeks U.S. firms willing to take "turn-key" contract for plants, i.e., provide consultancy, synthetic fiber technology, plant design and construction, testing, start-up, and training of personnel to operate completed plants. American firms interested in meeting these officials may call or write: Ms. Cherie A. Loustaunau, ITA/CAGNE, U.S. Department of Commerce, Washington D.C. 20230; 202-377-4441.

NEW ZEALAND—Graham Fong of Blenheim will be visiting the United States in July or August in search of manufacturers of **limited slip differentials** used in small pickup trucks and four-wheel drive vehicles. Plans to purchase small supply to test local market initially. Contact Damon Greer, 202-377-3265.

AUSTRALIA—J. Rathborne from Sydney wishes to purchase **automotive accessories** of all kinds, as distinct from basic spare parts. He will arrive in San Francisco July 1 on four weeks flexible schedule, visiting Los Angeles, Chicago, New York, then back to Los Angeles. For additional information contact Jane Puse, 202-377-3265.

JAPAN—Fumio Shimada and Ikuo Misugi, procurement officers with large Japanese manufacturing firm, will be arriving in U.S. for one year special assignment. During that time, they wish to contact U.S. suppliers of **products used in the manufacture of transformers, including relays, compressors, silicon steel plates, stainless steel plates, aluminum sheets, laminated clad sheets, transformer oil, bushings, etc.** Contact Damon Greer, 202-377-3265.

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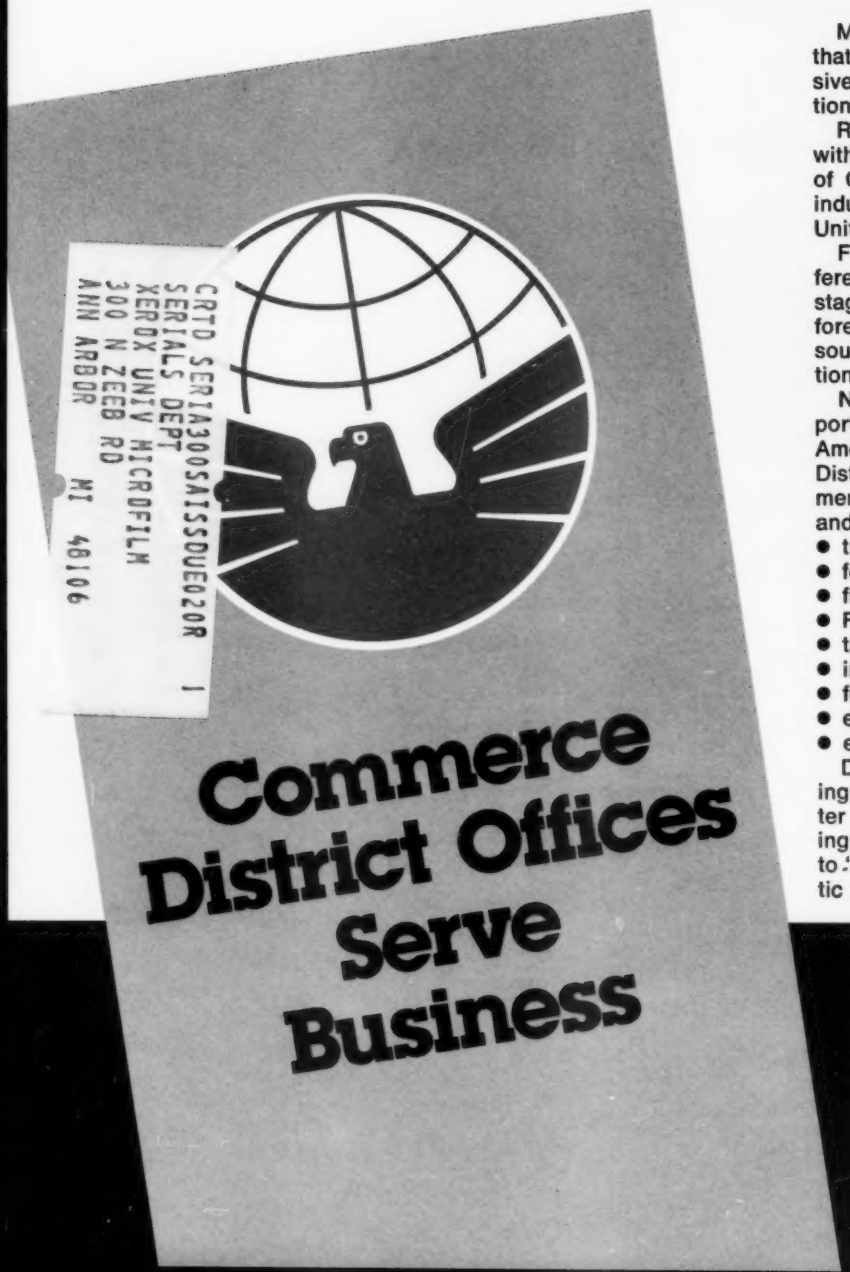

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